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1859 1934

THREE QUARTERS OF A CENTURY OF PROGRESS AND PUBLIC SERVICE

BACKGROUND: Seventy-five Years of trusteeship and service to millions of policyholders and beneficiaries.

PERFORMANCE: Three Billions in policy benefits paid out since organization.

PUBLIC CONFIDENCE: Six Billions of Insurance in force protecting about 1,900,000 lives. Upwards of 140,000 Annuity contracts providing income payments aggregating $75,000,000 annually.

OFFERINGS: Policies that meet every Life Insurance need and purpose.

A wide variety of Life Annuity, Refund Annuity and Retirement Annuities for individuals. Group Life Insurance, Group Accident and Health Insurance, Group Annuities and Salary Savings Insurance for Employees.

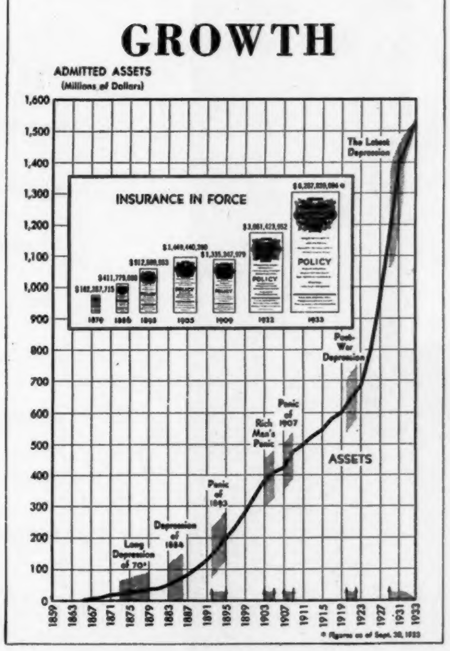
SECURITY: An institution owning a Billion and a half of conservative investments, diversified in character and widely distributed geographically, benefiting every State throughout the Nation.

REPRESENTATION: A nation-wide agency organization of trained underwriters, and with branch offices in every large city.

FOUNDATION: An Institution built on sound mathematical principles.

STABILITY: Tested by wars, financial panics, epidemics and economic upheavals. During the past three years The Equitable has again demonstrated its great ability to perform and live up to its motto—

"Not For a Day, but For All Time"



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Life Assurance Society of the U. S.

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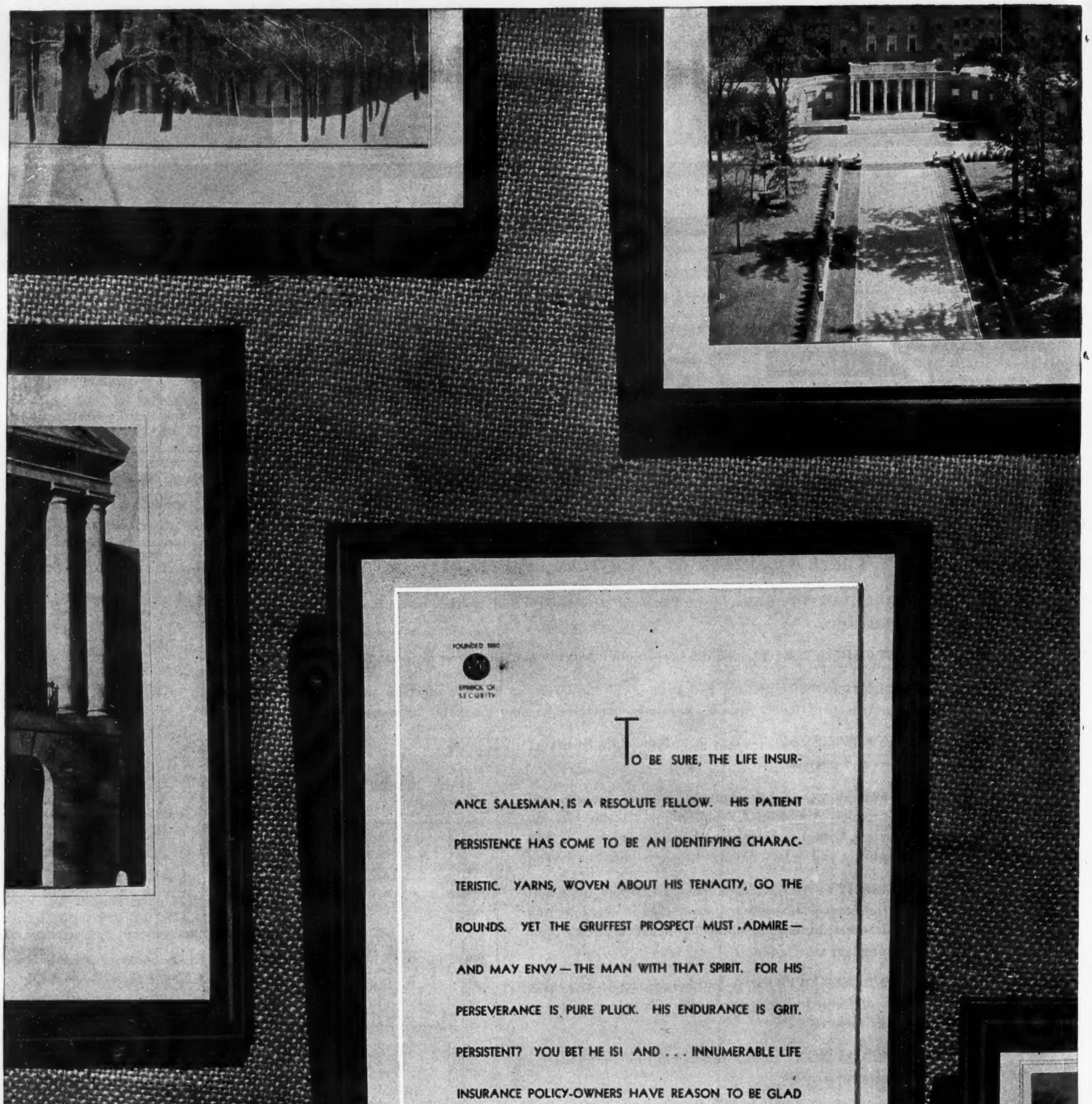

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The National Underwriter
LIFE INSURANCE EDITION

Thirty-Eighth Year—No. 6 CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, FEBRUARY 9, 1934 $3.00 Per Year, 15 Cents a Copy

Better Management Urged by Sullivan

Washington Commissioner Discusses Weaknesses Brought Out by Company Failures

EXPLOITERS CONDEMNED

Interlocking Directorates and Financial Inbreeding Responsible for Many Evils—Standard Laws Needed

SAN FRANCISCO, Feb. 8.—Insurance is firmly entrenched and is fast returning to fundamentals and is in better shape to cope successfully with adverse conditions than it has ever been, Commissioner W. A. Sullivan of Washington stated in his talk to the Fire Underwriters of the Pacific here.

Mr. Sullivan has helped officiate at the demise of several companies within the past year. "These failures," he said, "have been the subject of the most intense study and thought on the part of insurance men the nation over. None of these failures can be attributed wholly to the depression, nor can they be held to indicate the structural weakness of insurance. Disaster did not come by accident. Each could easily be traced to gross mismanagement—to failure to observe the common principles of the business, such practices in numerous cases having extended over many years."

Hits Interlocking Directorates

From his contacts with the companies Commissioner Sullivan has arrived at a number of conclusions. One of these, he said, was that "the control of insurance finances and insurance management should be left primarily to insurance men." "Recent revelations," he said, "have cast serious doubt upon the desirability of the interlocking directorate, through which the policies of the company may be influenced by strong members of the board of directors, holding similar positions with banks, brokerage houses, real estate companies and others who might profit through control of insurance funds. Many instances have come to light where, in an endeavor to save a doomed institution, insurance funds have been knowingly deposited in failing banks, resulting either in total loss or in the freezing of large amounts of cash. Sometimes those on the outside in favored banks and brokerage houses have reaped a rich profit through their financial transactions with the controlled company. Instances of actual juggling of funds have occurred. Every business which involves the presence of large sums of money is bound to excite the interest of professional promoters and stock manipulators. Insurance has been cursed with its quota of this clan. Starting with funds supplied out of

(CONTINUED ON PAGE 13)

Annuity Bill in Congress May Not Be Considered

CONGRESSMAN LEWIS AUTHOR

Lottery Bill Also Introduced—Possible Connection Is Interesting Because of W. E. Talbot's Proposal

WASHINGTON, D. C., Feb. 8.—Legislation authorizing the United States government to undertake the sale of annuities, introduced in the house of representatives by Congressman Lewis of Maryland, is not expected to receive consideration during the present session. The measure has been referred to the ways and means committee, now engrossed in the preparation of a new tax bill, following the completion of which it is expected to take up reciprocal-tariff legislation. Before any report could be made on the annuity measure, it would be necessary to hold hearings at which the secretary of the treasury would submit his views on the proposal and at which also, in all probability, the insurance industry would be given an opportunity to express its sentiments.

Designed "to Promote Thrift"

The Lewis bill, providing for straight, refund and deferred annuities to be sold in multiples of 10, is designed, according to its author, "to promote thrift, to provide ways and means for raising capital funds for necessary permanent improvements and additions to the property of the United States, and for other purposes."

There is also pending in Congress a bill, introduced by Representative Kenney of New Jersey, providing for a government lottery, which is not expected to be given serious attention in view of the government's continued efforts to eliminate lotteries.

Enactment of a measure of this nature would involve a letting down of the bars against the transportation of lottery material through the mails, and is expected to receive the disapproval of administration leaders if the bill ever is brought to a point where it is necessary to voice an opinion.

TALBOT PROPOSED LOTTERY PLAN

W. E. Talbot, superintendent of agencies of the Southland Life, recently proposed to President Roosevelt that lotteries be legalized and nationalized and that the winners be given annuities.

Hits Municipal Default Bill

The United States Chamber of Commerce has submitted a statement to a sub-committee of the senate judiciary committee, opposing pending legislation to provide for the handling of municipal defaults by the federal bankruptcy court. The objection was raised that enactment of the municipal insolvency bill would impair the credit of solvent communities that are continuing to meet their obligations and tax delinquencies would be increased. The American Life Convention and the National Fraternal Congress among other organizations have also opposed this legislation.

Warning Against Stressing Annuities Too Much Issued

F. H. DAVIS GIVES ADVICE

Penn Mutual Vice-President Says Man's Need May Be for Life Insurance or Combination

NEW YORK, Feb. 8.—Agents should avoid stressing annuity contracts to the extent of selling them where the prospect's need is better covered by life insurance or a combination of life insurance and annuity, Vice-president F. H. Davis of the Penn Mutual warned at a meeting of the company's Greater New York agencies. It would be well in many cases where retirement annuity contracts without the life benefit have been sold to try to add the insurance feature if the policyholder is an insurable risk, he said.

Mr. Davis spoke in connection with the company's 60-day campaign in which credit will be based solely on the life insurance side. The country has been divided in six groups, with three awards for each group. The awards will be on a paid-for basis and will be made for (1) greatest percentage gain in premiums over the same period in 1933; (2) greatest percentage gain in lives; and (3) greatest percentage gain in volume.

On behalf of general agents of the Greater New York territory, W. Stanton Hale, assistant general agent J. Elliott Hall agency, announced that three cups would be awarded to the three men showing the best records on the above basis but for February only. Mr. Davis said the company would give a presentation breakfast early in March at which the awards would be made.

Union Central January Gain

January activity on the part of the Union Central Life agencies brought good results as the net paid-for business records showed a gain of 10 percent over January, 1933, and a substantial increase over January, 1932.

Nebraska Federal Judge Stops 17 Foreclosures

LINCOLN, NEB., Feb. 8.—Stays of proceedings in 17 foreclosure actions brought in the federal court here by life insurance companies have been ordered by Judge Munger, who holds that the Nebraska mortgage moratorium law enacted a year ago is valid and enforceable. The court is of the opinion that the similarity of the Nebraska law with that of Minnesota justifies Nebraska courts in following the recent decision of the Unitd States Supreme Court to the effect that such laws modify but do not impair the obligations of contracts. In each case the court named a receiver who is empowered to make a rental contract with the title holder on the basis of rentals in the neighborhood, with the latter remaining in possession until March 1, 1935. The income shall be devoted to payment of taxes and cost of upkeep, together with interest on the loan, under direction of the court.

Social Changes Call for a Shift

W. F. Plume Tells Life People They Have to Get New Arguments

OLD AGE BIGGER FACTOR

Trend Toward Declining Birth Rate Will Have an Effect on Sales Presentation

NEW YORK, Feb. 8.—The trend toward a declining birth rate and a growing proportion of people in the older age groups may change the emphasis on certain phases of the life insurance business, W. F. Plume of the R. L. Jones agency of the State Mutual Life in New York City told members of the C. L. U. at their February meeting.

"For example," he said, "childless couples have no need for educational policies, their interests will be self-confined, and the growth of annuities, both single premium and deferred, might well follow in the future. It might surprise you to investigate the recent additions to the roll of states which already have old age pensions. And while they are for advanced ages and for small amounts, and only allowed under certain conditions, may they warn us of the broad social problems ahead?

Subject of Old Age

"Will these problems be put up to the state—a very popular idea just now—or will they be solved through self-help via the life insurance route? Certainly, there are many instances which occur to you all of people in the age groups 30 to 40 who see this old age problem close to home, and it is not so difficult to get them to talk of it.

"What will be the effect, as years go by, of the programs which begin to work? How will insurance influence the beneficiaries tomorrow of the insurance you placed yesterday? What of the juveniles 10 to 18 who are being sold policies through a parent? Will they grow up with a natural contact with life insurance making them receptive later on to real amounts? In view of the closeness with which our business is tied up to life, these things are worth thinking about. They might become intensely practical if we work out plans to take advantage of our knowledge."

Brady Gives Pointers

J. H. Brady, a million dollar producer of the J. C. McNamara agency of the Travelers in New York City, gave some valuable specific pointers on his working methods. Mr. Brady groups his prospects for a day or half-day geographically so as to utilize his time most efficiently, dividing the city into rough "zones."

"I have found that so far as I per-

(CONTINUED ON PAGE 13)

Expect Increase in Surrender Charge Within Next Six Months

BY R. B. MITCHELL

NEW YORK, Feb. 8.—Surrender charges substantially higher than those now generally in vogue will be established this year, possibly within the next six months, by a number of important companies, if discussion now under way materializes without undue delay.

The actuaries of some of the leading companies have been giving serious consideration to the matter but no plan has yet been even tentatively agreed upon. Right now annual statements are occupying the center of the stage, but as soon as this work has been cleared up the surrender value question is due for a thorough going-over, with the idea of arriving at the best possible all-around schedule of charges. How universally such a schedule will be adopted remains to be seen, but it is thought likely that it will be quite generally followed by companies which have felt the advisability of pitching their charges somewhat higher.

Two Types of Surrender Charge Schedules Used

Several plans have been proposed at these informal actuarial discussions. There are, broadly speaking, two types of surrender charge schedules, one of them based on percentage of the reserve, the other a certain number of dollars per thousand of face amount, no matter what the type of contract.

Of the first type, discussion has dealt largely with a schedule of charges which would start off with a high percentage of the reserve, say 50 percent, and scaling down, by large steps up to about the fifth year, and then more gradually, down to nothing at the 20th year. If the second-year charge were less than $10, it would be increased to that amount to prevent undue acquisition cost loss due to early lapses. It would be limited at the upper end, of course, by the almost universal legal maximum of $25 per $1,000 of face amount, which is the maximum permissible in any policy year.

The second type of plan would start off with a second-year charge of $25 per $1,000 of face amount without regard to its relation to the reserve, and scaling this charge down gradually to zero by the time it reached the 20th policy year. A modified version of this plan has been put into effect within the last two years by a group of companies, the difference being that in the latter case the surrender charge applies only for the first nine years, beginning at $16 per $1,000 the second year and diminishing at the rate of $2 each policy year.

Making Legal Maximum Perpetual Is Suggested

One of the interesting methods suggested is to make the legal maximum surrender charge of $25 per $1,000 of face amount perpetual for all policies, as is allowed under the law, and then declare the difference between this amount and the desired scale of actual surrender charges as a settlement dividend each year.

This plan would settle the troublesome feature of present policies, namely, that the non-forfeiture values cannot be changed once they have been put into force. Complications would be introduced by such an arrangement, one of the most serious being what to do about policy loans. If the policyholder stood to get more cash by surrendering than by merely loaning, there would be a temptation to surrender when the policy might have been saved. This feature might not be so serious a problem as it first appears, however, since it is estimated that 80 to 90 percent of policies with loans against them are eventually surrendered anyway. Possibly the policy loan complication could be removed by allowing the policyholder to borrow his guaranteed cash value plus the current settlement dividend. In any event there would be a tendency for the more alert policyholders to surrender if it appeared that a reduction in the settlement dividend were imminent. Agents might be in an embarrassing position if their policyholders asked about probable changes in the settlement dividend. It is not regarded as likely, however, that a plan based on this idea will be adopted.

The surrender value question has been a troublesome one since before the depression struck, when people were borrowing heavily on their policies to play the market. It became worse when policyholders added distress borrowings as the depression increased in severity.

There are two schools of thought on surrender values. One holds that penalties should be high enough to insure that the persisting policyholder will fare no worse because others have surrendered. The other point of view is that the privilege of withdrawal with the minimum penalty means as much to the persisting policyholder even though he does not exercise his option, as it does to the man who is forced to withdraw, and that policyholders prefer to have this privilege even though it may mean higher net cost because of the need for greater liquidity on the part of the company.

However, it is hard to draw the fine line of exact equity toward both groups. The surrender-charge level is not solely a matter for mathematical calculations and consequent mathematical accuracy. This might be true if policyholders could be depended upon to surrender at a predictable rate. But a surrender charge that is adequate in normal times may be far from sufficient if thousands of policyholders demand their cash or loan values at the same time. There were times during the past year when a charge of 50 percent of the reserve, regardless of policy duration, would not have been excessive, as far as fairness to persisting policyholders is concerned.

The trouble with a surrender value schedule which is perfectly equitable to the persisting policyholder and to the man who withdraws, provided times are normal, is that when a depression comes along the schedule gives the surrendering policyholders a much better deal, relatively speaking, than the persisting policyholder—at a time when persistence should be rewarded rather than penalized.

The new basis of surrender charges will be primarily designed to assure the persisting policyholder of as good a "break" under all circumstances, as the man who withdraws.

Eye Mail Order Insurance

If Sears, Roebuck's Venture in Life and A. & H. Field Proves Successful, Competitors Will Have Problem

The entrance into the life and health and accident insurance business of Sears, Roebuck & Co., through the instrumentality of the Hercules Life, will be watched intently by insurance men in all departments. There is much speculation as to the production procedure which Sears, Roebuck will adopt and what its success is likely to be.

If Sears, Roebuck & Co. undertakes to operate principally by mail and makes a success of it, that will be the first time a life insurance company has ever made headway with that system. The Postal Life of New York has not succeeded through the mail route. The interesting volume "Down the Years," by Dr. Ward of the Mutual Benefit Life, recalls that the Mutual Life of New York, after its organization in 1843, started to operate exclusively through newspaper advertising and publicity, but abandoned this practice for the agency system very shortly.

Entered Automobile Insurance Field About Two Years Ago

Sears, Roebuck & Co. created a stir in fire and casualty circles about two years ago when it formed the Allstate and later the Allstate Fire to write automobile insurance. This company operates exclusively by mail. Very little has been heard of this company, however, in a competitive way. Much of the business consists of insurance on the cars of Sears, Roebuck employes and although the companies have made progress, they have not proved to be big contenders.

So far as life insurance is concerned, the theory, to date, has proved true that the stimulus of the individual salesman is needed. Practically every one recognizes the worth of life insurance, but very few are impelled to buy it without being prodded to the utmost.

Sears, Roebuck may find that life insurance differs from automobile tires, axe handles and other items in the catalogue, the desire for which and the cost appeal of which arise simultaneously with the immediate need for them.

Of course, Sears, Roebuck has in its favor enormous prestige and reputation. That prestige has not been sufficient to cause an overwhelming demand for its automobile insurance, but there is a factor to be taken into consideration that the cost of insurance in the Allstate companies is, as a matter of fact, higher than much of the insurance which is offered to those in rural communities. The Allstate companies have been writing automobile insurance at about 20 percent off tariff, but there are plenty of companies specializing in the farm field which write at lower rates.

So far, the management of Sears, Roebuck & Co. has not given any real indication of what its sales procedure is to be. Perhaps they are not altogether sure themselves. They state that life insurance will be included as an item in the catalogue. Former agents of the National Life, U. S. A., which the Hercules Life has taken over, are being offered the opportunity to join the Hercules and help conserve the business.

Life Insurance Organizations Awaiting Developments

Life insurance agents and their organizations have refrained from getting up in arms because Sears, Roebuck has entered the arena. There was a certain amount of resentment at first, merely on the assumption that Sears, Roebuck would be a disturber, because in all of its operations it has gone its own way and the assumption was that it would pursue a unique course in life insurance. However, Sears, Roebuck & Co. has not yet shown its hand and until it does prove unfriendly to the institution of the agent and challenges his place in the sun, the producing forces will probably keep their peace.

If Sears, Roebuck & Co. decides to proceed in the traditional manner, there seems to be no reason why it should be the subject of attack.

Reinsurance Contract Exceptionally Liberal

Seemingly, the unfortunate policyholders of the National Life, U. S. A., obtained as good terms as possible under the Hercules Life reinsurance contract. Some observers feel that the contract is exceptionally liberal. Therefore, there is no basis for criticism on the grounds that policyholders are not protected as well as they might be under the circumstances. If the contract proves even more liberal than Sears, Roebuck anticipated, the mail order house must, however, stand back of the contract to the limit. It could not afford to fail in the trusteeship which it has assumed.

If Sears, Roebuck & Co. does make a success of its insurance venture and creates a mail order demand for insurance, a big problem will be created for competing companies and their agents. Other mail order houses and possibly big retail institutions may decide to enter the insurance field as a matter of self protection, if their clients demand that service.

Splendid Sales Records Being Made by Agencies

The Sun Life branch for Connecticut, of which E. D. Owen, New Haven, is manager, showed the largest increase in 1933 in paid for business of any Sun Life branch on the North American continent. The outstanding producers who contributed to the volume of new business were W. H. Deacon, Waterbury; E. F. von Wettberg, Bridgeport; J. A. Laconche, Hartford; P. N. Bronson, Middletown; A. J. Jennings, Green's Farms; H. W. Hart, Bridgeport, and R. F. Schoenberger, New Haven. In percentage of increase over 1932, the Connecticut branch office had the second largest percentage on the continent.

* * *

The home office agency of the Phoenix Mutual Life, leading all agencies of the company in the amount of paid premiums, reports a gain of 21 percent over the 1932 paid premium total. The year was also the best in its history from the standpoint of total paid premiums. Joseph M. Ward of New Britain at the end of the year had completed 417 consecutive weeks of production—over nine years.

* * *

W. E. Schilling, who signed a contract with the Hasek general agency of the National Life of Vermont in Kansas City, Mo., in April, 1933, was on the company's honor roll consecutively from May to November, inclusive. Writing principally in rural districts, Mr. Schilling paid for more than $500,000 in the seven months, including surplus lines. He is a veteran who formerly was general agent and manager for a number of leading eastern companies, including the Equitable of New York, Aetna, Travelers and Union Central, and in the past formed a life company in Kansas City of which he was president.

Metropolitan Life Shows Great Gains

President Ecker Gives Figures for Past Year at Managers Meeting

CONTINUE 1933 SCALE

Dividends on Same Basis as Last Year —Writings Less Than 3 Percent Below 1932

NEW YORK, Feb. 8.—The Metropolitan Life increased its assets $91,388,766 in 1933, had a total paid-for business of $3,174,994,475, paid a record amount to policyholders, declared the third largest dividend in its history and is continuing its 1933 scale on premium paying policies for the dividend year beginning May 1, President F. H. Ecker announced at the opening session today of the annual convention of the company's field managers here.

The amount reserved for dividends is $95,230,452. The rate of interest on dividends left to accumulate with the company has been continued at 4¼ percent, while the rate on other funds left with the company has been reduced from 4½ to 4¼ percent.

Industrial policyholders, it is estimated, will receive $45,232,899 in dividends, ordinary policyholders $48,188,553, and accident and health policyholders $1,809,000.

Business Off Only 31 Percent

The Metropolitan's 1933 business was less than 3 percent behind the total of 1932 and was said to be only slightly more than 7 percent below 1931, the company's record year. Of 1933 business, $1,583,300,706 was ordinary, $1,505,470,439 industrial, and $86,223,330 group. Ordinary insurance was several million dollars greater than the 1932 figure.

At the end of 1933, the company had in force a life insurance total of $18,802,984,818—$9,936,236,416 ordinary, $6,424,469,056 industrial and $2,442,279,346 group. In addition there was in force personal accident and health business carrying principal sum benefits of $1,213,622,700 and weekly indemnity of $12,536,918. The number of life insurance policies in force, including group certificates, was 41,660,510.

Bond Holdings Increased

The Metropolitan's total assets Dec. 31 were $3,860,761,191. President Ecker pointed out that one of the principal changes in the assets during the year had been an increase in bond holdings—chiefly federal, state and municipal bonds—and in the cash item, giving the company an even more liquid position. While policy loans continued to increase, he said, the rate of increase was considerably less than that shown in the preceding year. The ratio of real estate acquired through foreclosure to total real estate holdings continued relatively small, he declared. The company's surplus was increased to $243,123,033 and the contingency fund, also in the nature of a surplus, was maintained at $43,000,000. Payments to policyholders and beneficiaries passed the half-billion dollar record of 1932, with a total for 1933 of $572,679,580 in death benefits, matured endowments, annuities, dividends, disability benefits, cash surrender values, etc. Of that total, $151,586,374 was paid in settlement of death claims and well over $400,000,000 to living

(CONTINUED ON PAGE 12)

Annual Statements Show Progress of Companies

The Mutual Life of New York has issued its annual statement showing payments to policyholders last year $191,823,199, the largest amount ever paid in its history. The Mutual Life issued its first policy Feb. 1, 1843. Its assets are $1,119,855,726 and its fund for depreciation of securities and general contingencies is $59,144,436. The demand for loans on policies considerably decreased during recent months. The company's cash is $32,157,883, an increase of $16,346,632. Its insurance in force is $3,903,658,890.

BANKERS LIFE OF IOWA

The new statement of the Bankers Life of Iowa shows that income exceeded disbursements by about $5,000,000. Its surplus was increased $270,000 and $500,000 was added to the investment fluctuation reserve making the total surplus funds over $10,000,000. The company has over $8,500,000 in United States government securities and cash. Its interest income exceeding $7,000,000 was over $300,000 greater than the previous year. During recent years the company had confined its new investments to highly liquid securities. The company found that there was a material reduction in cash demands, surrender values and policy loans.

PEOPLES LIFE OF INDIANA

The People's Life of Frankfort, Ind., has issued its annual statement showing assets $7,891,442 of which $4,226,097 are mortgages, $938,408 real estate including home office building, $1,854,960 policy loans, $248,063 government and municipal bonds, $180,497 cash. Its capital is $300,000. Its mortality and investment reserve is $183,466 and its surplus $400,000. Its insurance in force is $45,661,565. It has paid to policyholders to date $45,661,565. It gives a good account of itself.

CONNECTICUT GENERAL

President R. W. Huntington of the Connecticut General in submitting his annual report said that its stocks yielded a net income of 4.59 percent on book value. New investments in bonds and stocks last year at a cost value of $8,669,174 yielded 4.202 percent. Bonds purchased amounted to $8,639,325. Of these 30 percent were federal, 46 public utilities and 22 percent railroad. Municipals were .6 of 1 percent. President Huntington said the situation with both farm and city property improved during the year, this being especially noticeable in farm loans. It collected $213,026 the first six months as compared with $337,400 the year before. During the last six months the collections $312,058 compared with $225,044. Overdue interest, he said, reached its high mark in July and has been decreasing steadily. He foresees the time when the company can dispose of its foreclosed properties for more than they are put in the statement today.

NORTHWESTERN MUTUAL

At the executive committee meeting of the Northwestern Mutual Life it was found that as of Dec. 31 the company had $10,000,000 in cash with $4,500,000 in low interest earning government bonds. The policy loans were about one-third above the normal but they show a reduction of 37 percent from the

(CONTINUED ON PAGE 13)

PROTECTION PRIMACY

January, the year's first month, has shown, by its increase in volume, that protective life insurance is again in the ascendant, evidencing the soundness of the public's attitude. Conservative underwriters, whether of Field or of Home Office, are gratified by the return of production primacy to the function for which the institution of life insurance was created.

In the average family situation life insurance itself is the only effective prescription, with the Annuity as a supplement for maintenance of the aged, whether they be a policyholder's parents or himself and his wife in their elder years.

We can have unalloyed pride in our life underwriting work if, instead of taking the easiest way, we sell, not pure investment, but the security of life insurance when that is the visible need.

◆

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, *President*

Independence Square *Philadelphia*

Final Contract of Hercules Signed

Formalities of Reinsuring National Life, U. S. A., Are Practically Complete

SOME TERMS LIBERALIZED

President Herman Behrens of Continental Assurance Warmly Endorses the Deal with Sears, Roebuck

The formalities incident to the launching of the Hercules Life and the reinsurance by it of the National Life, U. S. A., were practically completed Wednesday when the court gave official approval to the published reinsurance agreement. Presumably because the agreement relieves the Hercules of any liability to National Life, U. S. A., stockholders, objection was entered by former holders of National Life stock, but the court overruled them.

Since Jan. 26 when the court orally awarded the business to the Hercules, the receiver and the Hercules people had been preparing a revised draft of the contract.

Capital of $500,000 and surplus of $500,000 have been paid in, state deposit has been made, five directors have been elected, and an amendment to the charter is being prepared increasing the directorate to nine.

Reinstatement Provision

The final contract provides for reinstatement, without evidence of insurability of policies lapsed since the receivership, if application is made and premium paid in 60 days. Death claims will be paid in 90 days. Full liability under supplemental contracts in force at date of receivership arising from death claims is assumed.

The lien of 50 percent applies to the net equity as of date of receivership and is in addition to any existing policy indebtedness. Until Dec. 31, 1948, interest lien shall be 4½ percent. After that the interest will be adjusted.

The lien and accrued interest is waived until Dec. 31, 1943, on death claims under policies in force at date of receivership, except policies paid up on that date. The lien will be deducted from death claims after Dec. 31, 1943, and under policies paid up on date of receivership.

Participation Certificates

Beneficiaries of those holding policies paid up on the date of receivership who die before Dec. 31, 1943, will get certificates of participation in the future reduction of liens.

Fifty percent will be paid on endowments which matured before the receivership. From subsequently maturing endowments will be deducted the lien plus accrued interest. Holders of endowments which mature before Dec. 31, 1943, will get participation certificates.

Double indemnity and health and accident benefits are not subject to the lien. The original plan was to cut these benefits 50 percent. Extended insurance is continued for the same period, the amount reduced 50 percnt, no lien. Fractional paid-up policies are cut 50 percent, no lien.

Apparently the National Life had been issuing so-called substituted contracts in lieu of surrender values. These are cut 50 percent, no lien.

Waiver of premium benefits are continued and claims will be met in full.

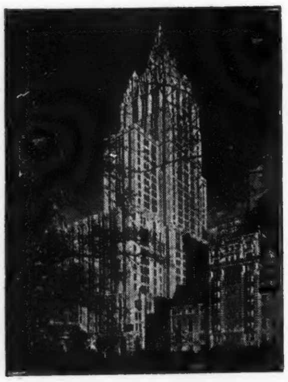
(CONTINUED ON LAST PAGE)

89-Year Record of Protection to Policyholders

Since it started business in 1845, this Company has paid to policyholders and beneficiaries over $3,910,000,000. *Over one billion dollars of this amount was in dividends.*

The stability of this strong mutual company has been particularly demonstrated during the past four years of business depression. In every one of these years, income has exceeded disbursements.

Throughout all the years—during every panic, every war and every epidemic down to the present hour—the New York Life Insurance Company has met every obligation to its policyholders and beneficiaries; it is amply prepared to continue to do so throughout the life of every one of its insurance and annuity contracts.



HOME OFFICE BUILDING

NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE

NEW YORK, N. Y.

January Sets a High Record for Production

The Home Life of New York reports an increase of 56 percent in new paid business for January, as compared with January, 1933. It was the best month in new business in the past year and a half. Written business shows a similar increase.

* * *

The Penn Mutual Life's January paid business gained 17½ percent over January, 1933.

* * *

A 31 percent gain in production for January this year over January, 1933, was shown by the Bankers Life of Des Moines, the total business written for last month being $5,234,843. On Jan. 29 applications totaled 241 for $678,000, and on Jan. 30 there were 236 applications for $636,000 of insurance.

* * *

January was the largest January in the history of the Kansas City Life, more than 9½ millions business being written. In the first two days of February, Kansas City Life agents submitted $1,750,000 of business.

* * *

The Northwestern National Life last month had its best January ordinary production in history. Total new business for the month amounted to $5,117,674. While the entire agency organization shared in building up this record, greatest credit for the month's showing is due the White & Odell agency of Minneapolis which made a 29 percent gain over its January, 1933, figure to total $1,303,577 for the month.

* * *

The Bankers Life of Iowa opened the new year with a January production of $5,234,843, a 31 percent gain. January is the first month in the Banker Life's "44-55 and fight" campaign to celebrate its 55th birthday on July 1.

* * *

The Jay L. Lee general agency of the Phoenix Mutual Life at Buffalo more than doubled its January, 1933, paid business last month and exceeded its best month in 1933. Written business for the first four weeks of 1934 increased 187 percent, which will reflect in the paid business of February and March. Mr. Lee gave a "doublers' party" for all agents who doubled their production in January, and their wives.

* * *

The Security Mutual Life of Nebraska reports a 60 percent increase in new business in January compared with the same month in 1933.

* * *

The National Life of Des Moines gained 58 percent in written business in January, the largest month with the exception of last October since March, 1932.

* * *

The John W. Yates agency at Los Angeles of the Massachusetts Mutual Life increased its applications 50 percent and showed a 24 percent gain in volume in January. These increases were not due to January, 1933, having been a poor month as it was one of the best months of 1933.

* * *

January was the best January on record for the Acme Life of Texas, $1,250,000 new business being written as compared with $750,000 in January, 1933.

* * *

C. A. Hopkins, Montgomery, Ala., general agent for the New England Mutual Life, reports that for January his office wrote more applications than for any other month since 1928. His agency wrote more than $1,000,000 worth of insurance in 1933, a gain of $200,000 over 1933.

* * *

The Conservative Life of Indiana increased its new paid business 5.8 percent in January.

* * *

The Milwaukee agency of the Guardian Life increased its business 6 percent in 1933 and finished in tenth place among the 65 agencies of the company, according to Manager H. C. Rhyan. W. C. Ross, associate manager here, was leading producer last year. The Milwaukee agency showed a 25 percent increase in new business for January.

R. F. C. Initiates Merger Program

Negotiations for Amalgamation of Four Detroit Companies Under Way

COBURN IS CONSULTANT

Discussions Started About a Month Ago but Action Was Delayed Pending Publication of Statements

DETROIT, Feb. 8.—Negotiations for the amalgamation of Detroit's four stock life insurance companies—American Life, Michigan Life, Detroit Life and Agricultural Life—into one carrier with home office in Detroit, initiated a month ago by the Reconstruction Finance Corporation, are expected to be renewed again shortly now that the financial statements of the companies are available.

The R. F. C. submitted the agreement to the executives of the companies several weeks ago so that it might be studied. Arthur Coburn, vice-president of the North American Reassurance, who is acting as consultant for the Reconstruction Finance Corporation, sat in at a conference with the executives of the four companies at which the agreement was discussed. No further conferences have developed in view of the forthcoming statements.

The Detroit Life is controlled by the R. F. C., which is said to own 92 percent of the company's stock obtained through its loan to the Insurance Securities Corporation of New Orleans, which has been dissolved. This corporation obtained control of the Detroit Life in 1929.

Ben Hur Life's Big Record

January Was the Best Month It Has Had Save One in Ten Years

An auspicious start was made in January, the 40th anniversary year of the Ben Hur Life, Crawfordsville, Ind., when the total new business written was more than for the corresponding month for the last ten years!

Last month was the biggest January for adult production of any previous year with but one exception, that in 1931, and even then the last record was within a few thousand dollars of protection of the previous January high. But when junior business is included January, 1934, stands alone among all corresponding months for total new protection written during the last ten years—since 1924!

Of particular significance is the fact that the adult business alone last month was 29.5 percent greater than for January, 1933, and even a good 25 percent more than in January, 1929.

January was state managers' month and keen competition was evident as the weeks quickly slipped by and the volume of business continued to pile up for a new high January record during the last ten years.

The National Life and Accident Insurance Company

(INCORPORATED)

NASHVILLE **TENNESSEE**

THIRTY-FOURTH ANNUAL FINANCIAL STATEMENT

YEAR ENDING DECEMBER 31, 1933

ASSETS

Bonds Owned (Principally Government, State, County, and Municipal Bonds)	$14,748,186.13
Stocks Owned (Nashville & Decatur R. R. on which there are no bonds. Principal and interest guaranteed by L. & N. R. R.)	99,393.50
Real Estate Loans, First Mortgages (Loans based on 50% or Less of Property Value)	12,476,067.31
Cash in Banks and Offices	1,027,332.60
Real Estate Owned	3,191,083.62
Loans on Bonds	70,000.00
Net Unpaid and Deferred Premiums	1,043,988.16
Policy Loans	2,136,957.91
Interest Due and Accrued	769,986.22
TOTAL ASSETS	$35,562,995.45

LIABILITIES

Legal Reserve, Life Insurance Policies (American Experience 3½%, Standard and Sub-Standard 3½%)	$24,071,451.16
Reserve, Disability Policies	113,026.89
Contingent Reserve (Special reserve on noncancellable Disability Policies no longer issued)	1,783,167.48
Reserve for Epidemics (To cover excess Mortality or Disability by reason of general epidemics)	1,000,000.00
Investment Fluctuation Fund (Special reserve to cover any possible depreciation or losses on securities)	750,000.00
Gross Premiums Paid in Advance	233,145.09
Taxes Accrued, But Not Due. (Payable in 1934 on 1933 Business)	305,555.09
Agents Bond Deposits, Etc. (Mainly a Savings Fund)	485,405.75
Policy Claims in Process of Payment and Adjustment	173,274.12
All Other Items	194,834.27
Liabilities Other Than Capital and Surplus	$29,109,859.85
Capital and Surplus (Margin of Safety to Policyholders over all liabilities)	6,453,135.60
TOTAL LIABILITIES (Including Capital and Surplus)	$35,562,995.45

TOTAL CLAIMS PAID DURING 1933	*$ 5,416,482.61*
TOTAL CLAIMS PAID 34 YEARS ENDING DECEMBER 31, 1933	*95,808,431.97*
TOTAL LIFE INSURANCE IN FORCE DECEMBER 31, 1933	*340,391,309.00*
INCREASE IN LIFE INSURANCE IN FORCE DURING 1933	*32,135,459.00*

ALL OF THE OFFICERS OF THE NATIONAL LIFE AND ACCIDENT INSURANCE COMPANY ARE ENGAGED WHOLLY IN THE SERVICE OF THE COMPANY AND HAVE NO OTHER BUSINESS

"WE SHIELD MILLIONS"

C. A. CRAIG, Chairman of the Board **W. R. WILLS, President**

FINANCIAL STATEMENT

Of January First, Nineteen Hundred and Thirty-Four

ASSETS

First Mortgage Farm Loans		**$22,593,782.67**
Cash in Office and Banks		**702,177.09**
Cash Loans on Company Policies		**10,137,990.00**
Bonds (Market Value Dec. 31, 1933)		**1,990,875.52**
U. S. Government	**$683,822.55**	
Federal Land Bank	**180,400.00**	
State, County and Municipal	**888,984.22**	
Public Utility and Railroad Equipment	**146,768.75**	
Canadian	**90,900.00**	
Real Estate (Including Home Office)		**3,366,991.94**
Interest Accrued		**345,720.54**
Deferred and Unreported Premiums		**500,086.49**
Due from Reinsurance		**1,564.12**
Furniture and Fixtures Account		**None**
Collateral Loans		**None**
Premium Notes		**None**
Stocks		**None**
Other Assets		**None**
Assets, December 31, 1933		**$39,639,188.37**

LIABILITIES

Reserve (Full Net Level Premium)	**$27,614,925.75**
Death Claims, Proofs Not In	**78,915.44**
Premiums Paid in Advance	**32,386.85**
Interest Paid in Advance	**216,501.66**
Agents' Credit Balances	**5,824.61**
Suspense Account	**1,453.69**
Dividends and Installments Left with Company and Interest Thereon	**158,865.72**
Reserve for Taxes	**300,000.00**
Reserve for Salaries, Medical Fees, etc	**42,459.26**
Reserve for Investment Contingencies	**1,200,000.00**
Reserve for Policy Dividends (Apportioned and Unapportioned)	**5,629,250.28**
*Other Liabilities	**980,989.01**
Capital Stock	**500,000.00**
Surplus and Contingency Reserve	**2,877,616.10**
Total	**$39,639,188.37**

*The item of "OTHER LIABILITIES" represents the principal and accrued interest of an R. F. C. Loan secured in 1932 for the purpose of meeting the heavy cash demands of our policyholders in 1932 and 1933 without sacrificing securities. Since January 1, 1934, this loan has been completely paid off out of current income, together with mortgage loan payments, and without selling any securities.

THE COMPANY NOW HAS NO BORROWED MONEY—JANUARY 27, 1934

RECORD OF NINETEEN HUNDRED THIRTY-THREE

Death Claims Paid	$ 580,417.63
Cash Payments to Living Policyholders	3,684,213.40
Total Paid Policyholders	4,264,631.03
Insurance Issued and Revived	11,400,563.70
Total Paid Policyholders Since Date of Organization	**39,379,346.79**
Insurance in Force December 31, 1933	**127,403,384.76**
Percentage of Death Losses Paid to Mean Insurance	0.441
Percentage of Lapse and Surrender to Mean Insurance	13.04
Average Percentage of Actual to Expected Mortality, December 31, 1912, to December 31, 1932	40.18

BANKERS LIFE INSURANCE COMPANY OF NEBRASKA

HOME OFFICE:
LINCOLN, NEBRASKA

Meeting Featured by Mock Trial, Playlets and Debate

UNUSUAL PROGRAM IS STAGED

Connecticut Mutual Puts Over Many Sales Points in Graphic Fashion at Florida Conference

The 1934 sales conference of the Connecticut Mutual Life at Hollywood, Fla., was unusual in the mode of presentation of the program. Formal speeches were almost entirely eliminated, being superseded by dramatizations in the form of playlet, debate, soliloquy, mock trial and sales demonstration, which put over the various sales points in a graphic manner.

After the call to order by G. F. B. Smith, assistant superintendent of agencies, a playlet, "Behind the Scenes in Hartford" was presented by H. M. Holderness, vice president in charge of agencies; V. B. Coffin, superintendent of agencies; F. O. Lyter, G. F. B. Smith, E. H. Norene, assistant superintendents of agencies; E. C. Andersen, educational director; R. W. Simpkin, D. H. Morrill, agency assistants; and K. H. Mathus, editor of publications. This play took the audience back to last September. An agency department meeting was re-enacted, portraying the care and effort with which the entire convention had been planned, and gave an inkling of what was to come on the days to follow.

Mock Trial Held

There was a mock trial in which an agent was put on trial to determine what he did with his time. Participants in this skit on time control were Milton Sherman, general agent, Toledo, and the following members of his agency: A. J. Chase; L. D. Moon, and Isaac Kinsey, Jr.

Other dramatic offerings were: "Men Buy Because—," a lesson in motivation by R. R. Gorton and R. H. MacMinn of the Paul C. Sanborn agency, Boston; "Least Wanted—Most Needed," picturing motivation in selling protection, with General Agent M. L. Lane, New York, and Mrs. Lane; and "And Now It's Too Late," more motivation, this time on retirement income, with the following members of the Indianapolis agency in the cast: G. K. Jones, general agent; J. H. Black, Jr.; and C. C. Jones, Jr.

Next, President James Lee Loomis gave recognition to leading producers, and J. B. Byrne, a director, brought official greetings. F. O. Lyter, assistant superintendent of agencies, explained the new club rules. F. A. Abrams, Milwaukee, concluded with a discussion of some humorous selling incidents which he had experienced.

E. H. Norene in Charge

The second day's meeting was presided over by E. H. Norene. Two brief talks, "What the Connecticut Mutual Means to Me" and "Seeing the People," by J. S. Wolff, Detroit, and G. G. Gottlieb, New York, preceded Dr. C. B. Piper, medical director, who spoke on "Profit and Loss." "A Voice from Nowhere" with G. L. Smead, Frank Carlucci, Jr., Scranton, and Mrs. M. L. Lane, New York, was the soliloquy staged at this session. Then came a sales demonstration on readjustment funds by E. C. Andersen as agent, and D. H. Morrill, as prospect.

The sales seminars in which the agents were divided into five groups for informal discussion, closed Friday's program. The field chairmen were: A. A. Hendricks, Portland, Ore., E. H. Dieckhoff, Chicago, E. C. Wright, Jr., Kansas City, W. H. Manning, Denver, and Milton Blumberg, New York.

The assembly was called to order Saturday by F. O. Lyter. Brevity talks by K. S. Austin, Springfield, Mass., C. D. Allen, Chicago, and G. W. Gordon, Newark, on planning, prospecting and building for the future, respectively, were heard. Another method of dramatization was offered in the form of a debate by R. M. Lowry, Hartford, and L. J. Fink, New York, the former being in favor of small policies, and the latter in favor of large ones. G. B. Nelson, general agent, Portland, Maine, was chairman of the debate.

Humorous Playlet Staged

Other dramatized features were "Prospecting Through a Center of Influence" with F. A. Zulandt, and W. J. Woodruff, Los Angeles, and the humorous playlet, "How to Become a Successful Agent in Three Easy Lessons." Members of this cast were Willard Regan, general agent, New York, and the following members of his agency: Victor Smith, S. C. Dretzin, J. J. Gould, A. J. Grobstein, Maurice Merber, Isadore Dretzin, and A. J. Avedon, and F. M. Wilber of the Rochester agency.

The final playlet was "Behind the Scenes at Home," giving the reaction of a typical Connecticut Mutual agent to the ideas which he had received at the convention upon his return home to his agency. W. J. Stoessel, general agent, Mr. and Mrs. H. C. Shaw and M. W. Brady, all of Springfield, made up the cast.

V. B. Coffin commented on "Basic Elements" and V. M. Holderness talked on "Nineteen Thirty-Three and Nineteen Thirty-four." P. M. Fraser, vice-president, closed the conference with an inspiring address.

On Thursday a special luncheon for chartered life underwriters was held with E. C. Andersen presiding, and on Friday one for supervisors with F. O. Lyter, presiding.

Barney Nudelman, formerly an agent at St. Louis, who was recently named general agent at Albany, was awarded the President's cup as leader in lives. The award donated by Samuel T. Chase at Chicago was received by G. Gottlieb, New York, for leading in premiums. The cup donated by Secretary H. H. Steiner to the leader in conservation was won by H. D. Lininger, Chicago. The cup given by P. M. Fraser, vice-president, to the second-year appointee leading in premiums went to K. S. Austin, Springfield, Mass. To J. F. Ramsey of Des Moines went the cup donated by H. M. Holderness, vice-president, to the first-year leader in lives, and to L. H. Jacobson, Chicago, went the cup presented by Willard Regan, New York City, to the first-year leader in premiums.

Pennsylvania Department Head Since 1931 Dies

C. F. Armstrong, 68, insurance commissioner of Pennsylvania since Jan. 20, 1931, died at Harrisburg Sunday. He had been confined to his home for several months. Mr. Armstrong's health began to fail shortly after becoming a member of Governor Pinchot's cabinet three years ago. He continued to supervise the work of his department from his bedside up to a few days before his death.

He was for many years in the banking business in Pennsylvania and served five terms in the legislature. He was named postmaster of Leechburg, Pa., his home town, in 1927 and resigned in 1930 to become a candidate for lieutenant governor on the Republican ticket. With the election that year of Governor Pinchot he was placed in charge of the insurance department.

During his illness the department has been in charge of C. F. Graff, deputy commissioner. He will continue in that capacity until the place is filled by Governor Pinchot, who has been ill in a New York hospital since early December.

President Cleary Reports on the Year's Operations

MUCH PROGRESS IN EVIDENCE

Northwestern Mutual Life Review Brings Out Some Indications of the Present Day

MILWAUKEE, Feb. 8.—The report of President M. J. Cleary to the members of the executive committee of the Northwestern Mutual Life shows the ability of a conservatively managed company to withstand the strain of business adversity and, at the same time, get splendid results.

The assets for 1933 were the highest in its history, and reached the total of $998,295,363. Included are United States government bonds, totalling over $44,000,000 state, county, and municipal bonds, and Canadian Dominion and provincial bonds amounting to more than $73,000,000; railroad bonds $148,000,000; public utility bonds, $21,000,000; farm mortgage loans, $190,000,000; city loans, $186,000,000; and cash of more than $10,000,000.

Assets Are Analyzed

The report analyzes the several items of assets and publishes a complete list of its bond holdings, giving the par value of the bonds and their present admitted asset value. It is equally frank as to its farm mortgage loans. It is a pioneer in this field, and it shows that it has passed through several depressions—the financial depressions of 1873-1879 and 1893-1899 being conspicuous. The experiences of these years led to the adoption of investment policies and practices that largely discounted the severe depreciation in real estate values now existing.

The Wisconsin law limits the amount which may be loaned on improved real estate to 50 percent of the fair market value of the property. The Northwestern in making farm loans has not loaned more than 40 percent of the value of the land plus 20 percent of the value of the buildings, and all valuations and appraisals are made by full time, salaried employees of the company.

The company owned farms with a present asset value of $21,872,578, or 2.19 percent of its assets. Those owned by the Northwestern, 96.50 percent of which are tenanted by responsible tenants, are located in the choice farming spots of the country.

As to the city loans, the company long since established the rule to avoid city loans upon "special purpose" buildings, and consequently such have been largely limited to office buildings. It had on December 31 513 such loans. It owned city real estate of an asset value of $4,096,155, or .41 percent of its assets. These properties are all rented on satisfactory terms. All foreclosed real estate represents only $26 of each $1,000 of assets.

As to its policy loans it has about $235,000,000, representing 23.56 percent of its total assets. This was a decrease of $1,559,935 over 1932. Cash paid in 1933 amounted to $123,314,591.63, apportioned as follows: on policy loans $43,000,000; surrender values, $9,000,000; death claims, $23,000,000; on endowments, $1,500,000; on installments, $8,500,000; and on dividends, $38,000,000. In the last four years, the cash payments of the Northwestern to its policyholders amounted to over $542,000,000 and yet the assets increased $110,000,000 during the same period.

New policies of life insurance written during the year totalled over $191,000,000 and the total insurance in force was $3,813,844,834.

There is set aside some $30,000,000 for dividends to policyholders payable in 1934. The increase in surplus is $3,000,000, the total surplus exceeding $58,000,000.

Dorsey and Johnson Face Prison in Security Life Deal

TWO OTHERS FOUND GUILTY

Excessive Mortgage Flotation to Pay $1,000,000 Loan Brings Promoters into Court

M. J. Dorsey, former president, and C. E. Johnson, former vice-president of the Security Life of Chicago, and two other men were found guilty in superior court in Chicago of fraud against the Security, which failed and was reinsured. The others convicted were Edwin Hult, head of Edwin Hult & Co., Hammond, Ind., and H. W. Huttig, manufacturer, Muscatine, Ia.

Dorsey and Hult were convicted on all 18 counts in the indictment, the penalty being one to five years in prison and fines of $1,000, the maximum for conspiracy.

Johnson and Huttig also were found guilty on all 18 counts, but were not ordered to prison. Punishment is to be fixed by the judge not to exceed eight years in jail, or fine up to $2,000.

Move for New Trial

The court will rule on new trial motion Feb. 10, and if the jury's findings are sustained, will impose the sentences. Under a supreme court ruling the judge can impose a separate sentence on each of the counts.

Dorsey and the others were charged with floating excessive mortgages on a tract of land near Waukegan, Ill., known as the Manufacturers Terminal Corporation. The mortgages, with face value approximately $1,700,000 but which according to the prosecutor were never worth more than $500,000, were dumped in the Security Life and Northern State Life of Hammond, Ind., an affiliate, good securities being extracted.

The state in this case went into the efforts of Dorsey and his associates to gain control of several insurance companies with total insurance in force $1,800,000,000. The state charged that the Dorsey interests organized the Keystone Holding Company with $1,000,000 borrowed in New York and then made the mortgage flotation so the $1,000,000 loan could be paid off.

Two other defendants were acquitted, J. H. S. Lee, associate in the law firm of former Senator C. S. Dineen, and Bertram Day of Indianapolis, president Northern States Life. The jurors said they acquitted Day on the first ballot, since they believed his testimony that he was only a "figure head" president. Evidence showed that Attorney Lee sold his interests to Huttig before the mortgage transactions were completed with the insurance companies and as a minority stockholder opposed sale of the mortgages to these companies, but was voted down.

Phoenix Mutual Men on Coast

PORTLAND, ORE., Feb. 8.—James A. Giffin, assistant agency manager in charge of educational work, and D. G. Hunter, agency vice-president of the Phoenix Mutual Life, have gone to a west coast managers' conference in San Francisco after attending a general sales conference in Portland with Manager Richard Sherwood and staff.

Name New Medical Director

Dr. C. B. Kern, for many years a practicing physician in Lafayette, Ind., has been appointed medical director of the Rural Bankers Life of South Bend. He has been a director of the company for several years.

Empire Takes Over Business

The industrial business of the Union Standard of Indianapolis, which is in receivership, has been sold to the Empire Life of Indianapolis.

Business Men's Assurance Company

KANSAS CITY, MISSOURI

Shows Continued Gains for 1933

FINANCIAL CONDITION—DECEMBER 31, 1933

ASSETS		Per Cent of Gross Assets
Mortgage Loans	$ 3,463,820.04	34.4%
Cash Deposited in Banks	592,844.45	6.0
U. S. Government Bonds	256,099.16	2.6
Federal Land Bank Bonds	174,233.31	1.8
State and Municipal Bonds	1,763,901.77	17.3
Industrial Bonds	138,347.85	1.4
Railroad Bonds	35,707.66	.4
Public Utility Bonds	85,581.58	.9
Real Estate Owned (Including Home Office Building from which gross rental income of $123,752.87 was received in 1933)	1,789,178.61	17.8
Policy Loans	1,105,888.04	11.0
Interest and Rents Due and Accrued	133,434.41	1.3
Premiums in Course of Collection	516,003.44	5.1
TOTAL ADMITTED ASSETS	$10,055,040.32	100.0%

LIABILITIES

Reserve Life Policies		$ 6,441,593.41
Reserve Under Accident and Health Polices		2,052,027.95
Reserve for Taxes		120,000.00
Reserve for Premiums Paid in Advance		40,868.95
Reserve for Other Miscellaneous Liabilities		120,652.82
Total Reserves		$ 8,775,143.13
Capital	$500,000.00	
Contingency Surplus	200,000.00	
General Surplus	579,897.19	
Surplus to Protect Policyholders		$ 1,279,897.19
TOTAL LIABILITIES		$10,055,040.32

Bonds are carried on an amortized basis as approved by the National Convention of Insurance Commissioners.

IMPORTANT GAINS FOR 1933

Gain in Assets		$ 619,078.66
Gain in Policyholders' Surplus		251,771.04
Gain in Life Insurance in Force		387,594.00
Benefits Paid Policyholders in 1933		2,604,401.66
To Beneficiaries	$ 767,141.44	
To Living Life Policyholders	453,247.17	
To Disabled Accident and Health Policyholders	1,384,013.05	
Benefits Paid Policyholders Since Organization		31,411,457.62
Life Insurance in Force		94,400,000.00
Average Interest Earned on Investments		5.5%

Kentucky Bill Would Give Governor Insurance Power

RIPPER MEASURE INTRODUCED

Laffoon Sponsors the Move to Transfer Insurance Department Control From State Auditor

LOUISVILLE, Feb. 8.—A "ripper" bill now before the Kentucky legislature would shift the insurance department from the supervision of the state auditor to that of the governor, giving the latter the patronage of this important office, and throwing it more directly into politics.

For some time there has been bad feeling between State Auditor Talbott and Governor Laffoon, due largely to the fact that Talbott is the son-in-law of Ben Johnson, chairman of the state highway commission.

A "ripper" bill in 1932 took the highway commission out of the hands of the governor, and gave Ben Johnson control of the highway organization.

Control of Legislature

Now the governor, with a stronger control of the legislature than he has ever had, is seeking to take control of the insurance department and the department of fire prevention and rates.

Some weeks ago an advisory committee offered suggestions for reorganization of state departments, which would have placed all insurance departments under the banking commission, but the suggestions were radically revamped in the bill, which has been introduced.

Under the present laws the auditor is elected, and has the power of naming the insurance commissioner.

Under the new law, as proposed, the governor would name the insurance commissioner, who would be paid the increased salary of $5,000 and the deputy commissioner who would be paid $4,200. The deputy commissioner of securities in Louisville would be abolished, and duties turned over to the state treasurer.

If the bill should pass Commissioner Senff would undoubtedly be replaced.

Harry S. Haskins, Jr., has joined the John Hancock as special agent in Des Moines. His father, H. S. Haskins, is state agent there.

Fifteen-Year Celebration

NORRIS H. BOKUM

JOHN H. DINGLE

The 15th anniversary of the Bokum & Dingle agency of the Massachusetts Mutual Life in Chicago was the occasion for a luncheon, at which the history of the agency and its achievements were reviewed. Unfortunately, Norris H. Bokum was unable to be present, inasmuch as he has been under the weather for several weeks. John H. Dingle presided.

The Bokum & Dingle partnership was launched 15 years ago at 134 South La Salle street, Chicago, without any agents or policyholders. The first agent was Norman Towne, who had returned to Chicago from New Orleans, to get back on his feet financially. He was a nephew of Marshall Field. He worked about six weeks, writing a few cases, among them a $100,000 policy on his own life. He developed pneumonia and died and Bokum & Dingle were left without any agents again.

The next agent was Ike H. Offner, who had been with the Mutual Benefit on a salary basis and was shopping around for a similar arrangement. Bokum & Dingle finally decided to gamble on him and guaranteed the payment of $1,000 a month if his commissions did not amount to that much. In a very few days he wrote a $500,000 policy on the life of R. J. Thorne and in his first year earned $20,000 in first year commissions.

The next agent was Arthur Loeb, who also had been connected with the Mutual Benefit. In his first year he paid for $1,000,000. Then he was joined by C. B. Stumes. Mr. Stumes and Mr. Loeb are now associated in the Stumes & Loeb agency of the Penn Mutual in Chicago.

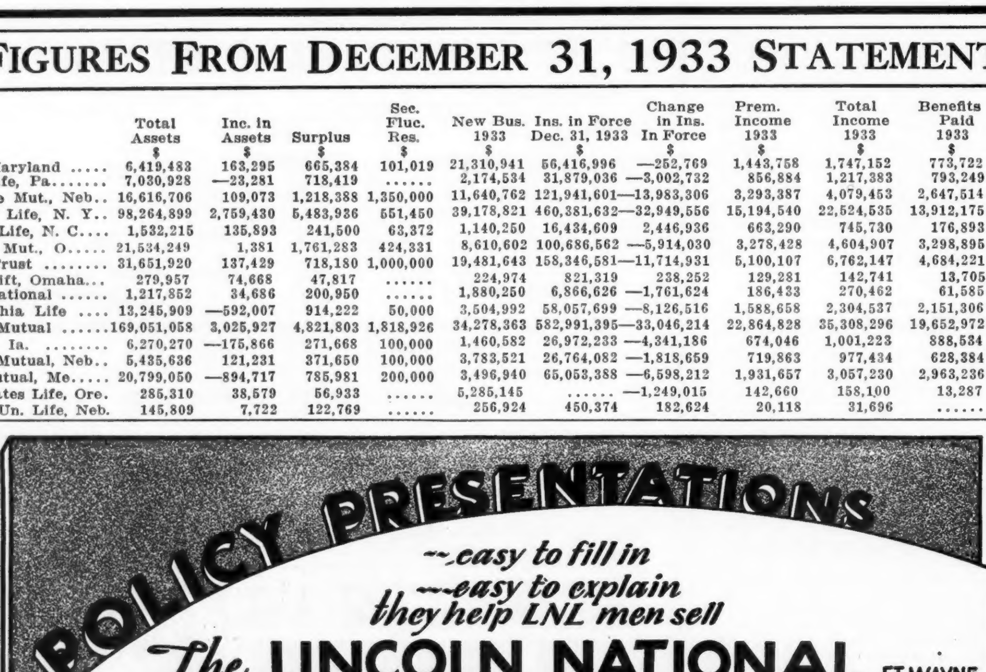
During the first seven years after Bokum & Dingle were operating, L. Brackett Bishop was still operating his agency in Chicago for the Massachusetts Mutual. In 1925 Mr. Bishop retired and the agencies were merged, Bokum & Dingle inheriting a number of agents, who are still with the agency.

A message was sent to Mr. Bishop in Florida, where on Feb. 2 he celebrated his 80th birthday.

In its 15 years the Bokum & Dingle agency has paid for $175,000,000 of insurance, which is an average of almost $1,000,000 a month.

FIGURES FROM DECEMBER 31, 1933 STATEMENTS

	Total Assets $	Inc. in Assets $	Surplus $	Sec. Fluc. Res. $	New Bus. 1933 $	Ins. in Force Dec. 31, 1933 $	Change in Ins. In Force $	Prem. Income 1933 $	Total Income 1933 $	Benefits Paid 1933 $	Total Disburse. 1933 $
Eureka-Maryland	6,419,483	163,295	665,384	101,019	21,310,941	56,416,996	—252,769	1,443,758	1,747,152	773,722	1,519,696
Girard Life, Pa........	7,030,928	—23,281	718,419	......	2,174,534	31,879,036	—3,002,732	856,884	1,217,383	793,249	1,205,484
Guarantee Mut., Neb..	16,616,706	109,073	1,218,388	1,350,000	11,640,762	121,941,601	—13,983,306	3,293,387	4,079,453	2,647,514	4,012,091
Guardian Life, N. Y..	98,264,899	2,759,430	5,483,936	551,450	39,178,821	460,381,632	—32,949,556	15,194,540	22,524,535	13,912,175	20,137,044
Imperial Life, N. C....	1,532,215	135,893	241,500	63,372	1,140,250	16,434,609	2,446,936	663,290	745,730	176,893	612,261
Midland, Mut., O.....	21,534,249	1,381	1,761,283	424,331	8,610,602	100,686,562	—5,914,030	3,278,428	4,604,907	3,298,895	4,624,862
Mutual Trust	31,651,920	137,429	718,180	1,000,000	19,481,643	158,346,581	—11,714,931	5,100,107	6,762,147	4,684,221	6,363,931
Natl. Thrift, Omaha...	279,957	74,668	47,817	......	224,974	821,319	238,252	129,281	142,741	13,705	69,734
Pacific National	1,217,852	34,686	200,950	......	1,880,250	6,866,626	—1,761,624	186,433	270,462	61,585	220,416
Philadelphia Life	13,245,909	—592,007	914,222	50,000	3,504,992	58,057,699	—8,126,516	1,588,658	2,304,537	2,151,306	2,780,342
Phoenix Mutual	169,051,058	3,025,927	4,821,803	1,818,926	34,278,363	582,991,395	—33,046,214	22,864,828	35,308,296	19,652,972	30,370,488
Register, Ia.	6,270,270	—175,866	271,668	100,000	1,460,582	26,972,233	—4,341,186	674,046	1,001,223	888,534	1,228,336
Security Mutual, Neb..	5,435,636	121,231	371,650	100,000	3,783,521	26,764,082	—1,818,659	719,863	977,434	628,384	915,162
Union Mutual, Me.....	20,799,050	—894,717	785,981	200,000	3,496,940	65,053,388	—6,598,212	1,931,657	3,057,230	2,963,236	3,623,971
Union States Life, Ore.	285,310	38,579	56,933	......	5,285,145	......	—1,249,015	142,660	158,100	13,287	......
Western Un. Life, Neb.	145,809	7,722	122,769	......	256,924	450,374	182,624	20,118	31,696	......	26,348



President Mays Challenges the Department's Figures

HOT CONTEST ON STATEMENT

Continental Life of St. Louis Management Declares Missouri Department Charges Are Untrue

ST. LOUIS, Feb. 8.—The Continental Life of Missouri as of Dec. 31, 1933, had a surplus of $1,252,830 instead of the $1,795,549 deficit claimed by Superintendent R. E. O'Malley, President Ed Mays testified before Judge Ryan of St. Louis in defense of the company against the efforts of the Missouri department to have it restrained from further operations and dissolved on the grounds that it is insolvent and had been mismanaged.

Mr. Mays analyzed the differences between the company's and the insurance department's valuations of the assets. His figures placed the assets at the close of 1933 at $18,168,807 while the examiners for the department as of Jan. 3 placed the same assets at only $15,211,857, after charging off $2,855,705 in assets as "not admitted."

Review Variances in Statements

Mr. Mays was questioned at length concerning the points of variance between the examiners' views and those held by himself and other company officials. For instance on deposits in closed banks the examiners allowed only $381,065, expressing the belief the company would lose $651,370 on its accounts in the Grand National Bank and the Wellston Trust Company and other closed banks. But President Mays took the position the company will not lose any of the funds in either, saying that both probably would have opened had not Superintendent O'Malley brought his suit for receivership against the Continental Life. The examiners had charged off $273,034 on agents' debit balances. Other deductions they made included: Real estate, $958,291; bonds, $695,025; accident and health department, $155,013; bonus on mortgage loans, $31,672; stocks, $406; cash advanced to or in hands of officers or agents, $23,291; bills receivable, $28,711; premium notes, policy loans and other policy assets in excess of net worth, $10,811; contracts of sale, $19,699, and excess loans and second mortgages, $8,300.

He denied emphatically that the Continental Life had suffered financial loss through the deals with his banks and other companies. The matters he discussed included sale of 2,400 shares of Grand National Bank stock to the Wellston Trust company for $276,000 in November, 1921, under repurchase agreement with the Continental Securities & Holding Company, and use of the proceeds to pay off loans made by the Grand National Bank to various directors of the Continental Life, and the payment of a $140,000 reward by the bank for the recovery of $822,000 in bonds stolen in the robbery of its safety deposit vault May 25, 1930.

Tells of Earnings

Mr. Mays stated that during 1933 the Continental Life earned 3.89 percent net on its $16,602,456 mean ledger assets and would have shown a return of 4.2 percent had the Grand National and Wellston Trust Company been permitted to reopen. At the beginning of 1933 the company had ledger assets of $16,572,391 and closed the year with $16,632,521. Gross earnings were $838,328 or 5.18 percent and would have been 5.49 percent with the banks open. Expenses of $205,173 in connection with the investments reduced the net earnings to $633,173, without taking into consideration the mortality savings and other intangibles on which the company could show additional profits. Net earnings in 1932 were 4.17 percent and the gross earnings 5.44 percent.

At the close of 1927, Mr. Mays testi-

fied, the Continental Life showed: Admitted assets $13,069,660; $589,557 capital and surplus and $93,526,419 of insurance in force. By the end of 1931 President Mays' management had brought the company to a point where it showed $17,232,567 in admitted assets, $1,044,080 of capital and surplus and $109,316,776 of insurance in force. In common with other life companies the Continental experienced some recessions the past two years but at the close of 1933 the preliminary figures indicated it still had a free surplus of $474,000 after setting up a special reserve of more than $200,000 to take care of any losses on real estate. It was brought out that only 11 percent of the real estate taken over by the company was under mortgage loans made since President Mays took personal charge of the investment department.

Issue Attracts Attention

The issue over the Continental Life is exciting much interest and there is a vast amount of publicity being published in the St. Louis dailies. One of the surprising features was the fact that former Counsel C. G. Revelle, who is an ex-insurance commissioner of Missouri, turned against the company and was able to secure the support of some of the officers and department heads. These men became the lieutenants of Alex Good, the Missouri department man in charge of the examination. The convention report as of Dec. 31, 1932, showed a surplus of $500,000. Ed Mays became president in 1928 and business increased from $40,000,000 to $94,500,000. The Missouri department through Superintendent O'Malley attempted to eliminate President Mays from the company and wanted the stock trusteed to the former. The directors refused to comply with this demand. Then Superintendent O'Malley brought the suit in Judge Ryan's court in St. Louis, alleging insolvency and mismanagement. President Mays secured the services of J. P. Oliver, former actuary of the company, who has been acting as its technical expert and going over the books very carefully. The state brought in its evidence and during the last week or so President Mays and the directors are having their inning.

Points Brought Out by the Company

From the evidence it seems that the company is bringing out the following points, which it supports:

1. Report by Good and his associates does not allow credit for accrued interest on investments.

2. Accrued taxes and expenses for two years on home office building and accrued taxes and investment expenses for several years on other real estate were all charged as expenses for 1933.

3. Excess of book value of bonds over market value was charged against 1933.

4. The Missouri law states that bonds may be amortized if the principal and interest is not overdue. The department claims bonds cannot be amortized if principal or interest is overdue. The bonds in question are Arkansas highway and district bonds on which the department placed a value as of Jan. 3, 1934, $35.50. The company claims that the present market value is $60 and depending on action of the present legislature the value may go to $90.

Value of Home Office Building

5. Superintendent O'Malley claims that the home office building should be written down from $2,200,000, its cost, to $1,500,000, because the company used the latter figure when placing the value for local tax purposes. The company earned about 4 percent on its building investment.

6. The department has been trying the case in the newspapers, giving all sorts of information, stating, for example, that the company has $140,000 in claims for death, maturities, surrenders and loans due and not paid. The company claims that on checking these items, none of them could be paid as the papers were incomplete. All claims, the company declares, which should have been paid, have been promptly remitted. This so-called unpaid item, however, is being used to establish the company's insolvency by the department.

Challenges Correctness of Figures

7. The company declares that Superintendent O'Malley is endeavoring to show, and had the support of Actuary Mott, that on the examiner's report the net interest earned was 2.889 percent. The company declares that Actuary Mott's own figures in the company's annual statement prepared in the usual way in the gain and loss exhibit gives gross interest earned 5.18 percent and net interest earned after deducting investment expenses, approximately 4 percent.

One of the charges brought by the company is that before the holidays the insurance department seemed to be convinced that the Continental Life was solvent and in good standing. After the holidays, when suit was brought, communications to other state departments bore an entirely different story.

Notable Men Pay Honor to President Of Acacia Mutual

WASHINGTON, D. C., Feb. 8.—President William Montgomery of the Acacia Mutual was honored at a testimonial dinner given in Washington, by company directors on his 40th anniversary as head of the Acacia. Many distinguished leaders in national, civic, insurance, financial and business affairs attended.

Senator Andrews of Virginia was toastmaster, introducing L. A. Rover, recently retired as U. S. district attorney, R. J. Whiteford, prominent local attorney; J. P. Yort, vice-president Acacia, Commissioner Hazen of the District of Columbia, H. L. Davis, insurance commissioner of the District, and Dr. J. B. Nichols, medical director Acacia. Speakers emphasized Mr. Montgomery's unselfish service in the Acacia and characterized his career as a fine example of business integrity.

Vice-President Yort Reminisces

Vice-president Yort, who since 1917 has been in almost daily contact with Mr. Montgomery in company work, reminisced of the day, 17 years ago, when he entered the company's little office at 1621 H street, finding a dozen people there. The company had 20 men in the field. Mr. Montgomery was secretary. Now there are about 1,000 in the Acacia force.

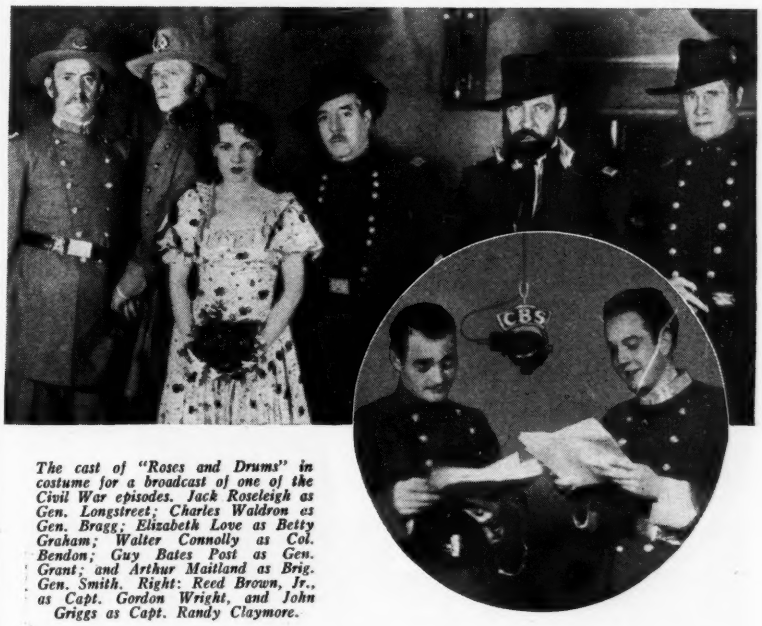
Mr. Montgomery sketched year by year the growth of the institution which took a new lease of life 25 years after it was chartered in 1869 by Congress, growing from practically no assets at all in 1893 and about $500,000 of assessment protection, to more than $52,000,000 in assets at the close of 1933, with more than $347,000,000 insurance in force.

Mr. Montgomery said all honors go to the institution which, day by day, week by week, year by year, is rendering service to the people. The Acacia's charter provides that it shall forever be conducted for the mutual benefit of policyholders and beneficiaries, and not for profit, Mr. Montgomery said. It is just beginning to grow. Its growth, record, work and present financial condition prove that it is impregnable, he said. It will last while the nation lasts.

William Heller of the W. T. Nolley general agency of the Northwestern Mutual Life at Richmond, Va., for several years, has been appointed district agent at Raleigh, under L. W. Norton, general agent for North Carolina. Mr. Heller's territory will include Wake, Vance, Franklin and Warren counties in addition to Raleigh.

"ROSES and DRUMS"

— the only *life insurance* program on a major network!



The cast of "Roses and Drums" in costume for a broadcast of one of the Civil War episodes. Jack Roseleigh as Gen. Longstreet; Charles Waldron as Gen. Bragg; Elizabeth Love as Betty Graham; Walter Connolly as Col. Bendon; Guy Bates Post as Gen. Grant; and Arthur Maitland as Brig. Gen. Smith. Right: Reed Brown, Jr., as Capt. Gordon Wright, and John Griggs as Capt. Randy Claymore.

"UNION CENTRAL LIFE presents . . . Roses and Drums", says David Ross every Sunday evening at 5 o'clock (EST) over the Columbia Broadcasting System. Life insurance prospects all over the country pull their chairs closer and the show begins.

With a cast of famous stars in a stirring and romantic story against a background of American history, "Roses and Drums" has increased its popularity more than 300% in the two seasons it has been on the air!

This program gives Union Central representatives the benefit of one of the most powerful forces of modern selling —*spoken* sales messages delivered under ideal conditions *right in the prospect's home!*

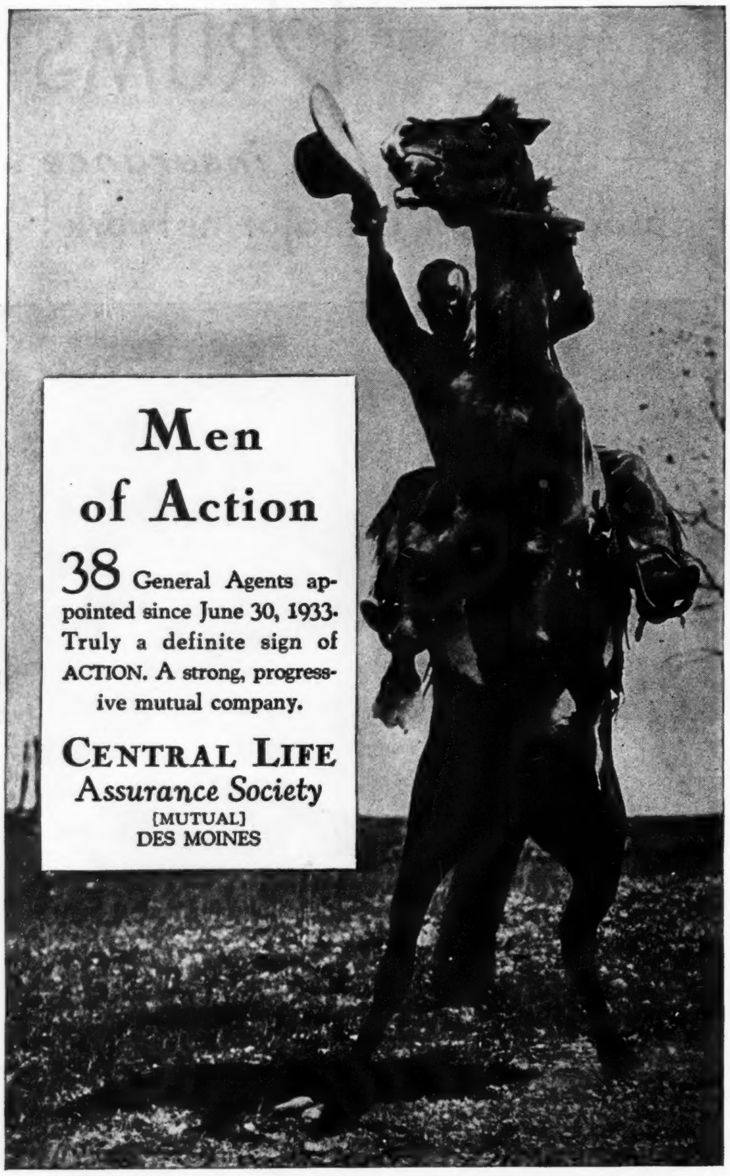
"Roses and Drums", supported by outstanding advertising in leading magazines, is helping to open more doors, to get more interviews, and to close more cases for Union Central agents every month.

The

UNION CENTRAL

Life Insurance Company

CINCINNATI



SPEEDING RECOVERY

National recovery is the sum total of individual recovery. Fidelity is speeding individual recovery through its Bridge Builder plan of insurance, which guarantees the continuation of a man's salary to his wife or other beneficiary for two years after his passing.

This Is the First Step

This first step in the re-creation of his individual financial program is his first step in contribution to National Recovery. The Bridge Builder is one of a number of modern working tools with which Fidelity agents are speeding this recovery for themselves and those whom they insure.

Write for information on Fidelity contracts

The FIDELITY MUTUAL LIFE INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, *President*

California-Western States Contest for Control Bitter

DRIVE IS MADE FOR PROXIES

Commissioners Say No Uneasiness Justified as to Carrying Out All Obligations to Policyholders

SAN FRANCISCO, Feb. 8.—A stockholders' battle between the majority and a minority group of shareholders of the California-Western States Life, which has been smoldering for months, has finally broken out into red fire, despite the combined efforts of three insurance commissioners, company officials and others to smother it.

The so-called stockholders protective committee charges that when the California State Life took over the Western States Life of San Francisco in a consolidation deal, four of the largest stockholders obtained, by secret agreement, an exorbitant price for their stock. It is claimed these four received $60 a share in addition to a specified number of shares of the new company, where the "ordinary" stockholders received only $40 a share and new stock. In addition, it is claimed these four shareholders received a "finders' bonus" of a formidable size for their services in bringing about the consolidation.

Seek to Oust Management

The committee is now attempting by obtaining proxies either to oust the present directors and officers or obtain strong representation on the board.

The Oregon, Washington and California commissioners held a conference here to consider the matter. President J. R. Kruse and other officers were heard and the four major stockholders were called in and compelled to tell their part of the story. It is understood that some of these men returned the excess money paid them for their stock. However, one of these stockholders, the Mercantile Trust Company of San Francisco, has filed suit to have the court determine whether or not the deal was valid.

The pending litigation should not, in the opinion of the state officials, hinder the company's progress in any particular. These suits are considered more or less friendly actions, designed to determine definitely the legal status of the so-called "secret" agreements.

To determine the validity of certain transactions of the management of the California-Western States Life is the purpose of the present examination by Oregon, California, Utah and Washington, according to a public statement by Commissioner Mitchell of California, issued to allay possibilities of adverse reactions as a result of publicity given the existing attack on the management by a group of minority stockholders. "To allay possible uneasiness resulting from rumors based upon unreliable sources or conclusions, I deem it proper to state that no apprehension whatever should be felt as to the adequacy of the corporation's assets to cover all of its obligations to policyholders," said Commissioner Mitchell.

Northwestern Mutual to Start Advertising Campaign

After 75 years of operations in which, it is reported, the company never has done any advertising, the Northwestern Mutual life of Milwaukee sometime in April will inaugurate a national ad campaign. The appropriation is not large as life company publicity campaigns go, but it is said $100,000 or more has been set aside for the purpose. There will be insertions in a carefully selected list of popular national magazines, and possibly some daily newspaper advertising. The Buchen Company of Chicago will handle the account.

Metropolitan Life Shows Great Gains

(CONTINUED FROM PAGE 5)

policyholders. Income for the year was $871,233,003.

Concerning dividends, Mr. Ecker commented that, including the 1934 declaration, the Metropolitan has paid or credited since its organization a total of $918,472,210 to policyholders in bonuses and dividends and of this amount more than 40 percent, or nearly $400,000,000, has been earned and declared during the four full depression years, 1930-33.

Vice-president Leroy A. Lincoln was the other speaker on the first day's program. The sessions are being attended by about 1,500 mangers and leading assistant managers and agents.

Home Office Men to Speak

President Ecker will be the first speaker at the second session Friday morning. Following his address there will be general comments by Second Vice-president E. H. Wilkes. Other speakers will be J. E. Kavanagh, second vice-president, "How Group Sales Can Be Increased in 1934;" W. C. Fletcher, secretary, "General District Supervision;" F. M. Smith, third vice-president, "New Business Responsibility and Supervision;' S. M. LaMont, third vice-president, "Accident and Health;" Dr. Louis I. Dublin, third vice-president, "Interesting Statistics of 1934."

President Ecker will also open the final business session Saturday, and will be followed by J. D. Craig, actuary, on "The Agent's New Contract;" H. E. North, second vice-president, "Modern Sales Management;" F. J. Williams, third vice-president, "Monthly Premium Insurance and Its Care;" H. D. Wright, third vice-president. "Privileges and Responsibilities of Leadership;" Samuel Milligan, third vice-president, "Analysis of Ordinary Applications."

The annual banquet will be held Saturday evening. Mr. Ecker will speak and act as toastmaster.

Joseph I. Reece Indicted

Former Insurance Commissioner J. I. Reece of Tennessee was indicted by the Davidson county, Tenn., grand jury last Friday on five counts charging larceny, embezzlement and fraudulent breach of trust. The alleged embezzlement involved about $22,000.

Reports Steady Gains

With a 50 percent increase in January issued business over last year, the Phoenix Mutual Life has now shown a gain in six of the seven months since last June. The January increase, however, is the largest yet recorded and Phoenix Mutual also reports a gain of 52 percent in the number of applications issued in January over the same period of last year. For the seven months since last June this increase amounts to 30 percent.

Planning, Prospecting, and Producing Are Urged

"Planning, Prospecting and Producing" was the subject treated by E. J. (Jack) Berlet of the J. F. Leonard, agency of the Mutual Life of New York at Philadelphia at the February luncheon of the Plico Club of the Philadelphia Life. Intelligent and persistent prospecting and consecutive weekly production were stressed as essential if the agent wishes to make a reasonably decent living out of the business. He urged eight insurance interviews a day if agents were to receive the full benefits of the approaching return to prosperity which in extent and volume will probably exceed the anticipation of even the most sanguine and optimistic.

"Contact as many as you can now, writing business as you are able to and later reaping larger benefits," he said.

Better Management Urged by Sullivan

(CONTINUED FROM PAGE 3)

syndicates and investment trusts, they have been able to gain control of some small company, and then, by using the resources of that company, and by pyramid operations, extend their power to others. Once entrenched, they have been able to loot their companies through control of investments, or to use such companies as a pawn in larger games. And the trail left by their operations warrants their universal condemnation."

Cites Financial Inbreeding

Closely allied to the evil of interlocking directorates is that of financial inbreeding, said Commissioner Sullivan, pointing out that while in moderate amounts, the holding of the stock of other companies is a wise provision and tends to create a helpful relationship among insurers, at times through the pyramiding operations of promoters, through mergers and reorganizations, a large part of the capital stock of one company will be owned by another and, he said, there have also been situations where the larger part of the assets of a company have been composed of the capital stock of another. "The past depression has shown this particular arrangement to be of great danger. Through it, the distress of one company immediately is communicated to the other, and failure of the one may cause the distress of the others in the ownership chain. Widespread holding of capital stock creates vitality, and a possible source of new funds should the need become great, and without the necessity of outside aid."

Even as the depression brought trouble upon the companies, it also greatly increased the labors of all public agencies of supervision The problems of state insurance officials are mutual, and yet it has frequently been impossible to obtain a uniform solution, he said. Differences in the powers of the official, and in state procedure are often a definite handicap to the proper handling of a company doing business in more than one jurisdiction. "The period just ended reveals an unmistakable need for more uniformity and greater coordination between the laws and powers of officials of the various states."

Social Changes Call for a Shift

(CONTINUED FROM PAGE 3)

sonally am concerned there is no substitute for an early and unhurried start in the morning," Mr. Brady said. "This means that the day's work must be planned out at least as early as the night before."

There is a distinct psychological advantage in the early start for most salesmen, Mr. Brady said. Most men, if they get off to a good start, can finish up the day with confidence and enthusiasm even if they have sold nothing, he said. He advised the keeping of properly detailed records not only for better planning but also to make it clear to the agent just how poorly he is doing when he is not doing his best.

Mr. Brady endorsed the inspection-reference system as a source of leads, always, however, getting the policyholder's permission to call on the reference. He has found that using the mails in advance of calls helps save time by making it possible to get right into the sales talk without needless preliminaries.

Serviss With Federal Life

R. W. Serviss, formerly with the Western States Life, has been made assistant to the agency vice-president of the Federal Life.

ANNUAL STATEMENTS SHOW PROGRESS

(CONTINUED FROM PAGE 5)

year before. The mortality ratio increased 1.4 percent. The average age of death claimants was 50 years and the average length of policy held by these was 14 years. The company shows a decrease of 4.6 percent insurance in force. December showed a decline of 3.6 percent in new business but was 30 percent ahead of November in number of applications. The company started writing women Dec. 1 and during that month 1,200 policies were placed on female lives.

PROVIDENT LIFE & ACCIDENT

The Provident Life & Accident of Chattanooga increased its assets $170,185, making that item $6,082,401. Its life insurance in force is $58,156,987, gain $3,306,008. Its cash and federal government bonds are $557,892, gain $244,974. Its new life insurance amounted to $16,640,240 and its accident and health premiums $3,340,633. Its ratio of assets to liabilities is 137 percent. Its capital is $800,000 and its surplus and contingency reserve $806,587.

OHIO NATIONAL LIFE

The statement of the Ohio National Life is of particular interest this year because it is the first following the purchase and consolidation of the Bankers Reserve of Omaha. On Jan. 1, 1932, the Bankers Reserve had assets of $22,588,708, capital of $500,000 and net surplus $1,941,895. Its new business in 1932 was $16,314,126 and its insurance in force $116,534,545, which was a loss of $8,520,500. The Ohio National a year ago had assets of $18,383,913, capital of $828,734 and net surplus $500,000, in addition to which there were funds set aside of $364,780. The insurance issued was $8,932,621 and the insurance in force $98,481,064. The new statement shows assets of $38,020,780, surplus including capital of $2,528,000 which includes asset fluctuation fund of $700,000; with insurance in force of $187,639,000. The new business was $11,000,000. The company elected as a new director John G. Kidd, president of the John G. Kidd & Son Company, publishers and booksellers. The company expects to be in its handsome new home office building at 2400 Reading Road, Cincinnati, towards the end of March.

WASHINGTON NATIONAL

The Washington National of Chicago in its annual statement made up its figures on an actual market basis as of Dec. 31, where securities were not eligible for amortization. The assets are $2,779,892 of which 32.75 percent are in cash and government bonds, 38.83 in other government bonds, 4.74 in railroad bonds, 7.28 in public utility, 5.14 mortgages. It carries $161,937 special reserve for contingencies, it has $600,000 capital and net surplus of $600,000. Less than 1 percent of the assets are invested in the obligations of any one corporation. It increased its assets $202,178 and its surplus $90,000. It has about $2 of assets for each $1 of liability. It paid since organization $22,880,000 in claims.

UNITED MUTUAL LIFE

The United Mutual Life of Indianapolis made an excellent record last year in spite of the fact that in most companies there was a decrease in new insurance written. It showed a gain of 56 percent in paid for business. At the close of the year it had in force $103,935,288, which is about $1,500,000 less than at the close of 1932. This is slight in comparison with many other records. The business was produced by about the same number of men who were in the field in 1932. Last year it closed 12 general agencies and added four new ones.

Harry Wade, assistant to the president, in charge of agencies and promotion, stated that the fine results were obtained without the aid of any special campaigns or contests. Men in the field maintained a steady gait throughout the entire year. Mr. Wade is one of the younger life insurance executives, who has come to the front and is making an enviable record. He has come into prominence in the American Life Convention as a militant opponent of the bill in Congress to provide for municipal bankruptcy and thus relieve municipalities of paying their obligations. At the meeting of the Life Advertisers Association, he was awarded first place for having produced the best advertising copy during the year.

Companies' January Gains

An increase of 33 percent over January, 1933, in new paid-for business, is reported by the Guardian Life. The January gain follows a December production that was the largest since June, 1932. A succession of increases during the last six months of 1933, plus the January result, has given the Guardian a 9½ percent gain in paid production for the first seven months of the club year ending June 30 next.

* * *

The State Mutual Life reports that in January 77 percent of its agencies showed a gain over January, 1933, in paid business.

Carrington Is Actuary

The headline last week of the article reporting the appointment of J. R. L. Carrington as actuary of the Union Central Life, erroneously carried the statement that Mr. Carrington had been secretary. Richard S. Rust is secretary of the Union Central.

Krough Unit Manager

Kaare Krough, an agent in the Courtenay Barber general agency of the Equitable of New York in Chicago for three years, has been appointed unit manager in the Kellogg agency of that company in Chicago. Mr. Krough was an athlete at the University of Chicago and since graduation has done some professional wrestling.

To all Policyholders and Agents of the

NATIONAL LIFE INSURANCE COMPANY *of the* U.S.A.

THE contract awarding the reinsurance of the National Life Insurance Company of the U. S. A. to the Hercules Life Insurance Company was signed yesterday. A copy of this contract will be mailed to you in a few days. If, after reading the contract, you have any questions, do not hesitate to write us.

We want you to know that the one objective of the management of the Hercules Life Insurance Company is to serve the interests of the policyholders of the National Life Insurance Company of the U. S. A. The sole purpose of its immediate activities shall be to administer the business as economically as possible and to conserve the assets for the benefit of these policyholders.

Agents of the National Life Insurance Company of the U. S. A. will find the management of the new Company eager to co-operate with them in their efforts to conserve the business and serve their policyholders. Although, at present, the protection of policyholders is the sole concern of the Hercules Life Insurance Company, any future plans for writing new business will include equitable compensation to National Life agents.

HERCULES LIFE INSURANCE COMPANY

National Life Department

29 South LaSalle Street, Chicago, Ill.

A SUBSIDIARY OF SEARS, ROEBUCK & CO.

THE NATIONAL UNDERWRITER

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Life Conditions Greatly Improved

ANNUAL reports of life companies for the most part are very encouraging in showing that during the last half of the year, especially the last three months, demands for cash surrenders and policy loans let down considerably. The companies had just about four years of exceedingly heavy demands on their cash resources. This served to drain their cash and more liquid securities and forced a number of companies to sell good securities in order to meet the unusual obligations. Then again it imposed on companies the duty of changing some of their less liquid securities into more liquid in order to have cash and securities readily saleable on hand, far in excess of the amount usually carried. This, of course, resulted in less interest earnings. Companies have been engaged in improving their financial situation and really creating lines of defense, as it were, representing securities of various degrees of liquidity.

Executives now feel that most people that found it necessary to fall back on their life insurance have run the race and that hereafter the conditions will be far more normal. The big problem, of course, with life insurance now is nursing along frozen securities and endeavoring gradually to work these out. The production problem is another big one because fewer people are able to buy life insurance and it is difficult at times to find out which ones have the money. The going has been hard for the field men during the last three years. It can be well said that companies that were near the brink have been placed in the hands of a receiver and those that are still rather tottering will probably arrange to be taken over or get under cover in some way. The receivership process was found to be very wasteful and expensive. Let us all hope the heaviest blows have fallen, for the sake of all concerned.

Biggest Problem for Agency Men

DOUBTLESS the biggest problem before the agency generals in life insurance is what course to follow with salesmen who do not live up to their opportunities and who fall behind in the procession, largely because of their own indolence or lack of zeal. In analyzing the figures of companies from a production standpoint, and this refers to almost all companies, one-fourth of the men produce three-fourths of the business. It is found when the rolls of honor are made up, many of the same leaders appear from year to year. The 75 percent contingent remains the same with probably now and then some man getting religion, so to speak, and working himself up from the ground floor. Once in a while one sees the sky and stars and desires to be nearer to them.

The great worry and solicitude with those in command therefore concerns the 75 percent, who for some reason or other, lag behind and see the leaders marching far ahead. There are some who are always in the forefront of the procession. There are others that gradually fall back to the rear. No one has been able to devise or discover a remedy that is effective in dealing with the laggers. There is one cause for one man being inactive and dawdling, another man has another weakness. Perhaps after all those responsible for immediate supervision need to make a more careful, psychological and human study of those far back in the procession and point out their own weaknesses. It will require militant leadership, sympathy, encouragement, discipline and a few burrs to get action. But the rewards will far exceed the effort expended.

Tenacity—A Most Desirable Attribute

AFTER all it is the man who sticks to his task and goes at it with intelligence, determination and enthusiasm who ultimately arrives. Tenacity is one of the great virtues of mankind. It is recognized in the most sublime characters of history.

PERSONAL SIDE OF BUSINESS

Dr. F. D. Jennings, medical director of the Brooklyn National Life, and active in the company's general affairs, died the other day. He had served as chairman of a number of medical societies and was identified with many hospitals.

—

Ray Hodges, of the Ohio National, vice-president of the Ohio Association of Life Underwriters, addressed the Cooperative Club of Cincinnati on "The Stability of Life Insurance."

John W. Yates, Los Angeles general agent of the Massachusetts Mutual Life, is in demand as a public speaker. In one week recently he addressed the Orange County Association of Life Underwriters at Santa Ana on "Doing More in '34," offering many suggestions for increasing production of business; the Rotary Club at Arcadia, dealing with its interpretation as viewed in the new day and in its relation to the "New Deal," and the Foreign Trade Club of Los Angeles on "What Price Prosperity?" with reference particularly to life insurance.

—

Col. John G. Maher, who retired as president of the Old Line Life of Nebraska some months ago, has returned from a European trip, convinced that if the common people have their way there will be no war on that continent, and believing that jingoists are responsible for war talk. Colonel Maher will leave March 14 to visit Russia for four months.

—

Phinehas Prouty, leading producer of the Los Angeles agency of the Massachusetts Mutual Life, won sixth place among the company's ten leaders for 1933 in volume of paid-for new business, his total for the year being substantially in excess of $750,000.

—

Five years of continuous weekly production were completed in January by **F. H. Gary**, district agent of the Mutual Life of New York in Elkhart, Ind. Beginning with a contest in the South Bend agency of Manager Argyle Brown, at the start of 1929, Mr. Gary has held to the app-a-week production schedule without a break, and entered 1934 with every prospect of greatly extending his record.

He qualified for the 1933 field club of the Mutual Life with paid-for business of over $500,000. His cases, all written in or near Elkhart and Goshen, ranged from $1,000 to $100,000 in size. His territory is at the edge of the industrial section of northern Indiana, and has keenly felt the manufacturing depression.

H. K. Hill, 52, general agent for the Massachusetts Mutual Life, was found dead with a bullet wound in his heart. Mr. Hill had been in poor health for two years. He entered the insurance field in 1904 and has been in Louisville since 1915.

A. L. Geller of Houston, Tex., led the Pacific Mutual Life in paid business in 1933. T. F. Cantwell, Los Angeles, was second, followed by J. H. Smith, Jr., Los Angeles; S. C. Cyzio, Chicago; W. C. Dol, Cincinnati; J. H. Mathewson, Ashland, Ky.; C. P. Hochstadter, Cincinnati; R. E. Denman, R. J. Tureaud, New Orleans, and R. A. Brown, Los Angeles.

Mr. Geller has been a consistent leader among the big ten for the last four years. He automatically becomes president of the Big Tree Club and receives the automobile awarded by the company as a special prize for national leadership. Last year Mr. Geller wrote 250 policies. He attributes his success to planned effort. He has been in the business six years and has written on an average of four policies each week in that time. Mr. Geller is a graduate of Rice Institute.

—

R. C. Newman of St. Louis placed $504,000 new business with the General American Life of that city in January. Mr. Newman, former executive special agent of the Missouri State Life, whose business was assumed last September by General American Life, severed his connection with the former company over a year ago. For several years he was a regular "millionaire" producer and wrote approximately $25,000,000 life insurance in the ten years preceding 1933.

The General American's January total of new insurance was $1,502,240, exclusive of several large policies written by the group department.

—

A. C. Utter, Detroit general agent New England Mutual Life, and Mrs. Utter have announced the engagement of their daughter, Elizabeth Whitehead, to C. R. Vliet.

—

Sam T. Swanson, general counsel of the Northwestern Mutual Life, and Mrs. Swanson have left on a trip to the Hawaiian Islands.

—

Oscar Palmour, associate general agent of the Connecticut Mutual Life and general agent there from 1910 until quite recently, died at his home in Atlanta. Mr. Palmour began life insurance work in 1902 with the Mutual Life of New York and was made Atlanta manager of the Fidelity Mutual in 1905. He was president of the Atlanta Life Underwriters Association last year.

—

Joseph S. Dickman, for 30 years secretary-treasurer of the Pioneer Insurance Company and Teachers Casualty Underwriters, died at Lincoln, Neb., aged 72.

—

Commissioner **H. E. McClain** of Indiana, underwent a minor operation in a hospital at Indianapolis Saturday and will be kept away from his office for some days.

—

At the annual meeting of the St. Louis agency of the **Massachusetts Mutual Life** prizes were awarded to the leaders for 1933. W. S. Smith led in business written with R. E. Lord second. A. E. Veith was elected president of the agency club. In January the agency produced $1,100,000 of new business, a gain of $70,000.

—

Ernest W. Owen, Detroit manager Sun Life of Canada and secretary of the National Association of Life Underwriters, will be the featured speaker before the Accident & Health Managers Club of Detroit, Feb. 12, on "Abraham Lincoln, the Gift of God to Mankind."

Companies That Failed During the Depression

The list of life companies that went into receivership during the depression and their disposition is brought up to date as follows:

	Disposition
Home, Ark.	Central States, Mo.
Chicago National	Pacific States
Illinois Life	Central Life, Ia.
Security Life, Ill.	Central Life, Ill.
Inter-Southern, Ky.	Kentucky Home
Northern States, Ind.	Lincoln National
Old Colony, Ill.	Life & Casualty, Ill.
Mississippi Valley, Ill.	Detroit Life
Union National, W. Va., formerly Gem City, O.)	Lincoln National
Victory Life, Ill.	Victory Mutual
Lincoln Res., Ala.	Protective Life, Ala.
Missouri State	General American
Cosmopolitan, Ill.	To be liquidated
National Life, U. S. A.	Hercules Life
Peoria Life	Pending
Royal Union, Ia.	Lincoln National
State Life, Ill.	Receivership pending
Equitable Life & Cas., Ky.	Federal Union
Old West Life & A., Cal.	Receivership
Our Home Life, D. C.	Receivership

NEWS OF THE COMPANIES

Summarizes Results of Year

President Hall of the Lincoln National Life Explains Its Dividend Reduction

At the annual meeting of the Lincoln National Life directors a dividend of $1.20 was declared. Last year the dividend was $2.50 on each share of $10 par value. In announcing this action A. F. Hall, president, said: "Practically all the large mutual and stock companies have reduced dividends during the depression. This is sound policy since it is the first and greatest duty of a life company to maintain a secure financial position for the protection of its policyholders. Such a policy has resulted in bringing all sound and conservatively managed life companies through every previous depression."

Hall's Message Summarized

Mr. Hall's annual message, which was a feature of the meeting, was summarized as follows:

"We have a better agency force now than ever before. We expect a marked improvement in the writing of new business and during the next five to ten years expect to get our proportionate share. There is a marked improvement in the mortgage loan situation. Fewer foreclosures and many properties being redeemed and mortgages paid off. We have a splendidly organized investment research department ready to take advantage of all opportunities offered. Expenses of management have been 'cut to the core' and we will continue to take advantage of every opportunity to reduce overhead. There is every reason, with improvement in business conditions, to expect a decreasing rate in mortality."

Three New Insurance Directors

Three new directors have been elected by the Lincoln National Life: E. C. Wightman, vice-president and controller; L. J. Kalmbach, reinsurance secretary, and O. F. Gilliom, general agent at Berne, Ind.

At the meeting of the board A. J. McAndless was formally elected first vice-president to fill the place left vacant by the death of Franklin B. Mead, and E. C. Wightman vice-president and controller.

Dissenting Assureds of the Illinois Life Get Dividends

An order has been granted by Federal Judge Stone in Chicago authorizing the Illinois Life receiver to make a preliminary distribution to dissenting policyholders, who did not care to come under the reinsurance contract by which the Central Life of Iowa took over the Illinois Life business.

The dividend amounts to 10 percent of the net equity as of Nov. 29, 1932, less the cost of insurance on the basis of the American Men table and 3½ percent interest for such time as the policy was in force in accordance with the reinsurance contract. There are about 6,500 dissenting policyholders, their total equity amounting to about $2,000,000. Thus, the payment will amount to about $150,000.

The checks will probably not be sent out to the claimants for three or four weeks.

According to present indications, there may be a subsequent dividend for dissenting policyholders of about 4 percent. The receiver, at present, is contesting several claims, particularly those of former Illinois Life agents for renewal commissions in the amount of $1,663,000. If the agents' claims are defeated, the dissenting policyholders will receive a second dividend of greater proportions than if the receiver must disperse something on account of the agents' claim.

There were about $27,000,000 of claims filed against the receiver. The Central Life of Iowa filed in behalf of all the continuing policyholders, its claim being for about $22,000,000. The claims of the dissenting policyholders amounted to $2,000,000 and those of the general creditors and agents, including the claim of the RFC for $1,125,000, amounting to $2,800,000. Although the RFC has securities in back of its loan, in equity proceedings it can also file a claim as a general creditor. If the RFC's claim is allowed, the payment can be applied to make up any deficiency in the collateral securing its loan. If the collateral plus the amount that is allowed as a claim is in excess of the loan, the excess will go to the Central Life of Iowa.

In about a week the Central Life will have taken possession of all of the assets of the Illinois Life, putting up with the receiver funds to pay claims that are in litigation.

Fidelity Mutual Reflects Business Improvement

The Fidelity Mutual Life increased both its assets and surplus after paying to policyholders and beneficiaries in 1933 a total of $13,819,134. Its assets are at $99,378,481 and surplus at $6,469,946, which includes a contingency reserve of $750,000 set aside as an added measure of safety, although the asset value of its securities was conservatively scaled by nearly $500,000. The gain was $624,032, although a total of $2,208,015 was apportioned as dividends for policyholders in 1934. Policy loans were reduced from $7,407,358 in 1932 to $5,048,577 in 1933, making the total of all such loans now $20,916,877.

The excess of income over disbursements amounted to $1,095,120. The company increased its U. S. government bond holdings by $1,374,033. Its liquid position was further strengthened by an increase of 142.7 percent in cash on hand, the amount being $1,920,289. The mortality ratio was 59.9 percent. The 1933 dividend scale is continued in 1934.

Manhattan Mutual Life Is Out With a New Statement

The annual statement of the Manhattan Mutual Life of Manhattan, Kan., has been issued, showing assets $947,195, policyholders' surplus $108,883, total income $198,377, disbursements $145,234. It increased its assets 5.85 percent, its policy reserves 4.26 percent and surplus 15.65 percent. The company was organized in 1918 by President H. M. Leonard who has conducted the company on a conservative and sound basis. It operates only in Kansas, writing standard policies. The company has not had to borrow any money or sell securities to meet its obligations. It is regarded as one of the sterling Kansas companies and is on a substantial basis. President Leonard and Assistant Secretary R. P. Martin are in active charge of the company.

Stayman Elected President of the Reserve Loan Life

Guy L. Stayman, secretary-treasurer of the Reserve Loan Life of Indianapoils, has been elected president to succeed the late W. R. Zulich.

Mr. Stayman is an actuary by training and an associate of the American Institute of Actuaries. He joined the Reserve

THE PROVIDENT

LIFE AND ACCIDENT INSURANCE COMPANY

1933 RECORD

ASSETS increased from $5,912,215.88 to $6,082,400.70, a gain of $170,185.02.

LIFE INSURANCE IN FORCE increased from $54,850,979.00 to $58,156,987.00, a gain of $3,306,008.00.

[Life insurance in force gained more than $13,000,000.00 during the four years of the depression.]

SURPLUS AND RESERVES TO POLICYHOLDERS increased from $5,716,308.75 to $5,904,640.42, a gain of $188,331.67.

CASH AND U. S. GOVERNMENT BONDS increased from $312,918.86 to $557,892.36, a gain of $244,973.50.

NEW PAID-FOR LIFE INSURANCE—$16,640,240.00

ACCIDENT AND HEALTH PREMIUMS—$3,340,633.43

NUMBER OF BENEFIT PAYMENTS to policyholders and beneficiaries—47,895.

TOTAL PAYMENTS SINCE ORGANIZATION—$27,226,084.86

RATIO OF ASSETS TO LIABILITIES 137%

This means that for every $1.00 the Provident owes, it has $1.37 with which to pay.

Annual Statement, December 31, 1933

ASSETS		
Cash		$ 456,265.70
Government, State and Municipal Bonds		610,845.06
Railroad and Public Utility Bonds		352,897.39
Industrial Bonds		360,233.16
Preferred Stocks		80,030.00
First Mortgages on Real Estate: City Property		1,287,272.88
First Mortgages on Real Estate: Farm Property		112,180.16
Home Office Building		668,993.23
Real Estate		335,113.64
Policy Loans and Renewal Premium Notes		981,525.14
Loans Secured by Collateral		10,423.49
Net Premiums in Process of Collection		775,929.10
Interest Accrued		45,788.97
Other Assets		4,902.98
		$6,082,400.90
LIABILITIES		
Life Department Legal Reserves		$3,169,996.44
Accident and Health Premium Reserves		482,524.55
Claim Reserves		568,287.83
Reserve for Commissions		72,245.93
Reserve for Taxes		97,630.03
Reserve for Interest Paid in Advance		27,244.77
Accounts Incurred but Not Due		7,884.52
Investment Fluctuation Reserve		50,000.00
Capital Stock	$800,000.00	
Surplus and Contingency Reserve	806,586.83	1,606,586.83
		$6,082,400.90

Detailed List of Investments Furnished upon Request.
Bonds valued on ammortized basis as compared by National Convention of Insurance Commissioners.

THE PROVIDENT

LIFE AND ACCIDENT INSURANCE COMPANY OF CHATTANOOGA, TENNESSEE

LIFE ACCIDENT HEALTH GROUP

(ESTABLISHED 1865)

Connecticut General
Life Insurance Company
Hartford, Conn.

January 1, 1934

Admitted Assets	$162,807,817
Policy Reserves and other Liabilities	153,291,231
Contingency Fund	2,703,824
Excess Security to Policyholders	6,812,762
New Paid Life Insurance in 1933	98,436,661

Twenty Years' Record

Year	Accident and Health Total Premiums	Life Insurance in Force
1913	$ 110,422	$ 74,332,677
1923	929,900	543,799,772
1933	1,452,560	1,009,649,775

Payments Since Organization

To Living Policyholders	$100,552,244
To Beneficiaries	97,969,553
	$198,521,797

Life insurance stands the Test

Productive Prospecting

"Expenditure -- 10 cents. Return -- 77 cents in first-year commissions."

That summarizes the aggregate experience of Guardian Agents in 1933 with each name circularized through the Company's Productive Prospecting Plans.

The effectiveness of these direct-mail business builders is to be seen in an average policy ranging from more than $4,000 to over $5,000 written on prospects circularized under the various plans.

THE GUARDIAN LIFE
ESTABLISHED 1860
INSURANCE COMPANY *of* AMERICA
50 UNION SQUARE · · NEW YORK CITY

Loan in 1901 as actuary and assistant secretary, serving in that capacity until 1915, when he became secretary and actuary. He dropped the title of actuary in 1926, serving as secretary only, and was elected treasurer in 1931. He had been secretary since the death of W. K. Bellis, who was the company's first secretary, and one of the founders.

Wayne Burns, who has been first vice-president, also assumes the title of treasurer and Dr. Frank L. Truitt, medical director, becomes secretary.

The company made a small gain in insurance in force in 1933, the total in force being nearly $65,000,000.

General American Results

Between Sept. 7, 1933, and Dec. 31, the General American Life built up a reserve for the reduction of the 50 percent lien on certain of the policy reserves of the Missouri State policies of $1,065,674, the financial statement reveals. The total of lien was $30,776,908.

The report also shows on Sept. 7 the Missouri State owed the Reconstruction Finance Corporation and various banks a total of $7,163,958. By Dec. 31 all of the bank debts had been wiped out and the RFC balance reduced to $5,445,841.

As of Dec. 31, cash totaled $2,832,801 while bonds, based on quoted markets as of June 30, 1933, were $19,019,884. Stocks amounted to $3,788,823, mortgages to $23,295,053, and real estate $15,652,403.

Policy and other reserves were $123,432,967.

Fidelity Union Life Cited

Suit for the appointment of a receiver for the Fidelity Union Life of Dallas has been filed in the district court there by John M. Dawson. The suit seeks to recover $169,716 for Mr. Dawson and others. The court cited officials of the company to appear Feb. 23 to show cause why a receiver should not be appointed.

Two Elected Directors

J. C. Higdon, vice-president in charge of sales for the Business Men's Assurance, and Lou L. Graham, new director of field service, were elected directors at the annual meeting. Prior to January, 1933, Mr. Higdon was secretary-actuary. Mr. Graham joined the company in 1913 as claim adjuster, having been in the same capacity with the Great Western of Des Moines. He then became chief claim adjuster for the B. M. A. He is a past-president of the International Claim Association, and is permanent executive secretary.

Report on Mississippi Valley

ST. LOUIS, Feb. 8.—The grand jury of the St. Louis circuit court for criminal causes has reported that its investigations of the defunct Mississippi Valley Life reveal that it is "hopelessly insolvent and heavy losses will probably be sustained by the policyholders." However, no violations of the criminal laws of the state by any of the officers or employees of the company were uncovered. The jury held that the losses sustained were "primarily due to gross neglect and mismanagement by officers and directors of the company, principally during the years 1930 and 1931." The jury said that the situation could not have arisen if there had been proper and adequate supervision and control by the insurance departments of Missouri and Illinois.

Changes Name to Kansas Life

The Guaranteed Securities Life of Topeka is changing its name to the Kansas Life. The old Kansas Life has moved its executive office to Kansas City, Mo., and changed its name to the Pyramid Life. Ben Dingman is president of the Guaranteed Securities. He states that the word "Securities" has been confusing, especially to those outside of Topeka and Kansas. President Dingman finds that in January the company wrote more new business than in either period of six months last year.

Hayes Agency Director

President S. A. Lambert of the Agricultural Life of Detroit has appointed Frank M. Hayes agency director. Mr. Hayes was with the Federal Reserve Life of Kansas City for two years until last year and was agency director of the Agricultural Life in 1930. Some years ago he was with the Detroit Life.

Pan-American Life Meetings

As the concluding feature of an agency tour begun Jan. 1, Ted M. Simmons, manager of agencies Pan-American Life, completed three-day sales meetings in Birmingham and Cincinnati. C. J. Mesman, assistant secretary, assisted with the two meetings, which were devoted to organization plans for 1934 and to discussion of current sales problems. J. O. Ogle is Birmingham manager while G. S. Fox is manager at Cincinnati.

National Accident Revived

The National Accident of Lincoln, Neb., has been revived by George L. Waters and associates, who will operate it as an assessment health and accident company. Mr. Walters had long operated a stock health and accident company under that name, but a year ago changed the name to the National Assurance, planning to add life insurance. Hard times prevented completion of the project, which requires $150,000 capital. Organization as a life company only, which calls for but $100,000 capital, will be pushed.

Federal Life's Purchases

Since Jan. 1 the Federal Life of Chicago has bought $100,00 in government securities and has also bought $105,000 in the new state of Illinois 6 percent revenue notes. These notes have been hard to get because of the high yield. This week the company held a regional meeting of producers in Chicago, with about 100 present. The year is starting off promisingly. John F. Williams, recently appointed assistant treasurer, was introduced to the agents, and R. W. Serviss of the advertising department made his bow. Mr. Williams was formerly vice-president of the Illinois Life.

W. R. Haile Promoted

The Colonial Life has promoted W. R. Haile to field supervisor of Division A. He entered the employ of the company some ten years ago in the audit department and was later promoted to inspector.

Life Company Notes

At the annual meeting of the **Old Line Life** of Milwaukee A. W. Finger was elected a director to succeed M. J. Rice, formerly of Milwaukee, who has moved to California.

Following an examination, Insurance Director Palmer of Illinois concludes affairs of the **United Brothers of Friendship & Sisters of the Mysterious Ten** of Springfield are subject to the provisions of the liquidation act. The society has claims outstanding unpaid in excess of 90 days and the number of members in good standing does not meet with the requirements for organization of a fraternal.

Results of Early Bird Contest

The "Early Bird" contest conducted among the agencies of the Pan-American Life in January was a complete success, according to Ted M. Simmons, manager of agencies. Total submitted business for January was 26½ percent greater than the same month of 1933. H. J. Durand, Lafayette, La., district manager, won first prize in volume, while R. A. Patrick, Jr., Lakeland, Fla., manager, led in number of applications on separate lives. More than 160 field men, who qualified for participation in the contest by submitting applications the first week of January, were awarded souvenir prizes.

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, $5.00 and $2.00 respectively.

Massachusetts Mutual Scale

Dividends for 1934 on Reduced Basis Are Announced—Tabulation for Several Popular Forms

The Massachusetts Mutual's 1934 dividend scale is announced. This is based on dividends actually being paid on policy anniversaries from June 1, 1934, to May 31, 1935.

Amounts of dividend accumulations shown for periods from five to 20 years are based on the same dividend figures with 4 percent interest.

The rate of participation for instalment policies, beginning June 1, 1934, has been fixed at 1¼ percent, the instalments being calculated on 3 percent interest. Thus a rate of 4¼ percent applies to such funds left with the company.

The new dividend figures on several popular forms (dividends for family income policies, irrespective of the income period, being the same as under ordinary life policies for the same age at issue) are:

Ordinary Life

	Dividend Year				
Age	1	5	10	15	20
20	$ 3.28	$ 3.49	$ 3.99	$ 4.59	$ 6.05
21	3.28	3.54	4.08	4.68	6.14
22	3.29	3.60	4.17	4.76	6.21
23	3.32	3.66	4.28	4.82	6.28
24	3.35	3.74	4.37	4.91	6.35
25	3.38	3.83	4.45	4.97	6.42
26	3.44	3.92	4.53	5.04	6.49
27	3.50	4.01	4.60	5.10	6.56
28	3.57	4.10	4.67	5.15	6.62
29	3.66	4.18	4.75	5.21	6.71
30	3.74	4.25	4.82	5.27	6.80
31	3.83	4.34	4.88	5.32	6.92
32	3.92	4.41	4.94	5.38	7.05
33	4.01	4.47	4.98	5.43	7.17
34	4.07	4.55	5.04	5.51	7.31
35	4.16	4.61	5.09	5.58	7.46
36	4.22	4.67	5.14	5.69	7.64
37	4.28	4.73	5.19	5.78	7.81
38	4.34	4.76	5.24	5.89	8.00
39	4.40	4.82	5.30	6.01	8.21
40	4.46	4.85	5.39	6.14	8.45
41	4.50	4.90	5.48	6.29	8.69
42	4.54	4.94	5.59	6.44	8.99
43	4.58	4.99	5.69	6.62	9.27
44	4.61	5.06	5.81	6.80	9.59
45	4.64	5.12	5.94	7.01	9.95
46	4.69	5.21	6.09	7.23	10.34
47	4.72	5.30	6.26	7.49	10.75
48	4.79	5.42	6.44	7.76	11.18
49	4.85	5.54	6.65	8.06	11.60
50	4.93	5.67	6.86	8.39	12.05
51	5.03	5.84	7.10	8.76	12.53
52	5.12	5.99	7.39	9.15	13.01
53	5.26	6.20	7.70	9.56	13.52
54	5.39	6.42	8.03	9.98	14.04
55	5.57	6.68	8.42	10.42	14.59
56	5.74	6.93	8.83	10.88	15.14
57	5.94	7.25	9.29	11.37	15.72
58	6.18	7.61	9.75	11.87	16.34
59	6.45	7.99	10.25	12.41	16.99
60	6.75	8.43	10.79	12.96	17.68
61	7.10	8.93	11.34	13.54	18.42
62	7.50	9.47	11.93	14.15	19.21
63	7.94	10.04	12.56	14.81	20.04
64	8.46	10.64	13.22	15.50	20.90
65	9.04	11.30	13.91	16.25	21.83

20-Payment Life

	Dividend Year				
Age	1	5	10	15	20
20	$ 3.47	$ 4.05	$ 5.08	$ 6.29	$ 8.99
21	3.47	4.10	5.17	6.38	9.08
22	3.50	4.16	5.27	6.46	9.20
23	3.52	4.22	5.36	6.53	9.29
24	3.55	4.30	5.45	6.62	9.40
25	3.59	4.38	5.52	6.71	9.49
26	3.65	4.47	5.62	6.77	9.59
27	3.71	4.55	5.69	6.86	9.71
28	3.77	4.66	5.76	6.92	9.82
29	3.86	4.73	5.84	6.99	9.93
30	3.93	4.82	5.90	7.05	10.06
31	4.02	4.90	5.96	7.13	10.20
32	4.12	4.97	6.03	7.20	10.36
33	4.19	5.02	6.08	7.26	10.49
34	4.27	5.09	6.14	7.34	10.67
35	4.34	5.15	6.19	7.43	10.83
36	4.40	5.21	6.23	7.52	11.02
37	4.46	5.25	6.29	7.64	11.21
38	4.52	5.30	6.34	7.74	11.41
39	4.58	5.34	6.41	7.86	11.62
40	4.62	5.38	6.47	7.99	11.84
41	4.67	5.41	6.56	8.12	12.06
42	4.70	5.45	6.65	8.26	12.32
43	4.73	5.48	6.74	8.42	12.59
44	4.76	5.54	6.86	8.59	12.86
45	4.79	5.60	6.98	8.77	13.15
46	4.82	5.69	7.10	8.96	13.46
47	4.85	5.78	7.25	9.17	13.78
48	4.91	5.87	7.40	9.40	14.09
49	4.95	5.96	7.57	9.64	14.42
50	5.03	6.08	7.76	9.92	14.75
51	5.12	6.22	7.97	10.21	15.10
52	5.21	6.38	8.21	10.52	15.46
53	5.33	6.54	8.47	10.85	15.81
54	5.46	6.74	8.75	11.18	16.18
55	5.60	6.96	9.08	11.54	16.55
56	5.77	7.19	9.44	11.90	16.93
57	5.96	7.49	9.83	12.30	17.33
58	6.20	7.80	10.25	12.71	17.75
59	6.45	8.16	10.68	13.13	18.17
60	6.73	8.57	11.14	13.58	18.61
61	7.07	9.03	11.64	14.06	19.08
62	7.46	9.53	12.17	14.57	19.57
63	7.88	10.07	12.74	15.12	20.07
64	8.38	10.64	13.34	15.71	20.60
65	8.93	11.27	13.97	16.36	21.15

20-Year Endowment

20	$ 3.95	$ 5.24	$ 7.32	$ 9.77	$14.98
21	3.95	5.27	7.37	9.80	15.00
22	3.95	5.30	7.40	9.81	15.03
23	3.96	5.35	7.46	9.84	15.06
24	3.98	5.39	7.50	9.86	15.09
25	4.01	5.45	7.55	9.89	15.13
26	4.04	5.51	7.58	9.90	15.16
27	4.10	5.57	7.61	9.92	15.20
28	4.16	5.65	7.64	9.93	15.23
29	4.23	5.69	7.67	9.95	15.27
30	4.31	5.75	7.68	9.95	15.32
31	4.38	5.81	7.70	9.98	15.36
32	4.46	5.84	7.73	9.98	15.41
33	4.52	5.87	7.73	10.00	15.46
34	4.59	5.92	7.76	10.02	15.51
35	4.66	5.96	7.76	10.04	15.57
36	4.70	5.97	7.76	10.07	15.62
37	4.74	5.99	7.76	10.10	15.68
38	4.79	6.02	7.77	10.13	15.75
39	4.84	6.03	7.79	10.16	15.82
40	4.88	6.05	7.82	10.22	15.89
41	4.91	6.05	7.85	10.26	15.98
42	4.93	6.06	7.88	10.32	16.06
43	4.96	6.08	7.93	10.39	16.16
44	4.97	6.11	7.98	10.47	16.25
45	4.99	6.14	8.03	10.55	16.35
46	5.00	6.17	8.12	10.64	16.46
47	5.03	6.23	8.18	10.76	16.58
48	5.06	6.30	8.29	10.88	16.71
49	5.11	6.38	8.40	11.02	16.84
50	5.18	6.47	8.54	11.19	16.99
51	5.24	6.57	8.68	11.37	17.14
52	5.33	6.70	8.86	11.59	17.31
53	5.44	6.83	9.05	11.80	17.48
54	5.56	7.01	9.29	12.05	17.68
55	5.69	7.20	9.56	12.30	17.88

Two-Year Term—Automatic Conversion

	Div. Year			Div. Year	
Age	1	2	Age	1	2
20	$1.54	$1.55	45	$1.80	$1.84
25	1.55	1.58	50	2.04	2.10
30	1.57	1.58	55	2.42	2.51
35	1.60	1.61	60	3.02	3.15
40	1.67	1.69			

Four-Year Term—Automatic Conversion

	Dividend Year			
Age	1	2	3	4
20	$1.55	$1.55	$1.56	$1.57
25	1.56	1.58	1.58	1.58
30	1.58	1.59	1.60	1.60
35	1.61	1.62	1.64	1.64
40	1.69	1.72	1.73	1.74
45	1.85	1.89	1.91	1.94
50	2.11	2.18	2.22	2.25
55	2.52	2.63	2.70	2.75
60	3.16	3.33	3.44	3.50

Six-Year Term—Automatic Conversion

	Dividend Year					
Age	1	2	3	4	5	6
20	$1.55	$1.56	$1.57	$1.58	$1.58	$1.58
25	1.57	1.58	1.58	1.59	1.59	1.60
30	1.58	1.59	1.60	1.61	1.61	1.61
35	1.61	1.64	1.65	1.67	1.67	1.67
40	1.71	1.75	1.77	1.79	1.80	1.80
45	1.88	1.94	1.98	2.00	2.03	2.03
50	2.18	2.26	2.32	2.36	2.39	2.39
55	2.63	2.76	2.85	2.92	2.96	2.97
59	3.15	3.35	3.47	3.56	3.61	3.63

Seven-Year Term

	Dividend Year					
Age	1	2	3	4	5	7
20	$1.55	$1.56	$1.57	$1.58	$1.58	$1.58
25	1.57	1.58	1.58	1.59	1.59	1.60
30	1.58	1.60	1.61	1.61	1.62	1.62
35	1.63	1.65	1.67	1.67	1.69	1.69
40	1.73	1.76	1.79	1.81	1.82	1.83
45	1.91	1.97	2.01	2.04	2.06	2.07
50	2.21	2.30	2.36	2.42	2.45	2.46
55	2.69	2.83	2.93	3.01	3.06	3.07
58	3.07	3.26	3.41	3.48	3.56	3.54

United States Life Revises Premiums and Annuity Rates

The United States Life has issued new premium and annuity rates, a few small increases being made. Ordinary life and limited payment rates are now quoted on the basis of $1,000 and the $2,500 minimum restrictions have been removed. The endowment annuity rates which have been the same for men and women have been increased for women. Disability rates have been adjusted, the new premium rates for women being double those for men, age limit being set at 50 at date of issue and coverage to age 55 for women. Because of continued favorable mortality among annuitants it has been necessary to increase rates on the straight and cash refund annuities. A digest of the rates on the principal forms follows:

Non-Participating Rates Per $1,000

Age	Ord. Life	30-Pay Life	20-Pay Life	20-Yr. Endow.	Endow. at 65
20	$13.20	$16.23	$20.60	$40.65	$15.93
25	14.85	17.80	22.43	40.85	18.40
30	16.98	19.78	24.67	41.23	21.71
35	20.06	22.55	27.74	42.05	26.96
40	24.21	26.19	31.63	43.50	34.26
45	29.76	31.19	36.79	46.00	46.00
50	37.17	38.04	43.49	50.25	64.67
55	47.07	47.50	52.33	56.90	100.38
60	60.72	....	64.18	67.00	207.44

Single Prem. Male Annuities

	Ann. Inc. Per $1,000		$100 Ann.Inc.	
Age	Life	Ref.	Life	Ref.
40	$ 57.05	$ 53.07	$1,752.80	$1,884.30
45	61.80	56.49	1,617.90	1,770.10
50	67.97	60.70	1,471.10	1,647.20
55	76.04	65.92	1,315.00	1,516.90
60	86.72	72.39	1,153.10	1,381.30
65	101.01	80.47	990.00	1,242.60
70	120.38	90.72	830.70	1,102.50
75	146.97	103.50	680.40	966.10
80	183.95	119.81	543.60	834.60
85	236.18	140.78	423.40	710.30

Business Men's Assurance

The Business Men's Assurance has issued a "silver anniversary special income continuance plan," the distinguishing feature of which is an emergency payment draft attached to the contract for $500, guaranteeing an immediate cash payment of this amount. This is in addition to income payments. The draft accompanies policies of only $1,500 or more; the remainder of the proceeds of the policy must be paid under the usual income continuance plan of the company; the draft may be attached to the life policy.

It is only necessary for the beneficiary to sign the draft and complete the affidavit giving details of the policyholder's death, certifying that the policy was in force for its full amount, and to have a brief statement signed by a citizen of recognized standing in the community in order to receive payment of the $500 immediately. It is unnecessary to notify the home office nor to request blanks for submitting proofs of loss in order to receive the payment.

New England Mutual

The New England Mutual this week increased its rates on annual premium deferred annuities. Single premium annuity rates were advanced last year.

Hearing on Proposed Iowa Probe

DES MOINES, Feb. 8.—Commissioner Clark was invited by the senate insurance committee to participate in a hearing on a resolution adopted by the Iowa house, authorizing a legislative investigation of the insurance department.

The resolution has to do with the merger of the Modern Brotherhood of America, Cedar Rapids, Ia., with the Independent Order of Foresters of Toronto, which has figured in previous "investigations" and in litigation still pending.

May Advertise Warnings

BOSTON, Feb. 8.—The Massachusetts legislature has passed a bill empowering the commissioner of insurance to advertise warnings to the public of the activities of unlicensed insurers who may try to do business in the state.

STABILITY

The primary duty of the management of this company is to assure the membership continued enjoyment of the fundamental mutuality upon which the company was founded and under which it has functioned during the more than eighty-eight years of its existence . . .

The Mutual Benefit Life Insurance Company,

Home Office • 300 Broadway • Newark, N. J.

MUTUAL
BENEFIT

NEWS OF LIFE ASSOCIATIONS

Speak in Six Illinois Meets

State, Chicago and Peoria Associations' Officials Stir Up Membership and Other Activities

Roy L. Davis, president of the Chicago Association of Life Underwriters, is spending Thursday, Friday and Saturday of this week in the field, attending meetings of six life underwriters' associations in Illinois. He is accompanied by J. Hawley Wilson of Peoria, president of the Illinois Association of Life Underwriters, and William La Teer, president Peoria association. They started at Elgin with a noon day meeting Thursday and went to Champaign that evening. Friday morning they are meeting in Danville for a breakfast conference, Decatur at noon, Bloomington that evening and Springfield Saturday noon.

Following the meeting of the Decatur association a meeting of the executive committee of the state association will be held. The title of Mr. Davis' address before these meetings is "Meeting the Challenge of 1934."

Mr. Davis said the agent who has been marking time since 1929 should now be ready to march ahead under full colors, to greater accomplishment.

Although conditions and needs may change, human nature remains the same and despite depressions and high waters people still fall in love, get married, raise children, put mortgages on their homes and farms, organize and promote businesses, die and leave behind them debts, children and obligations to society in a never ending process. It is the job of the agent to search out these people and show them that life insurance is more necessary today than ever before.

Some agents, he said, blame the institution of life insurance for their inability to produce. They exaggerate the bond, mortgage, real estate and other problems and collapse in the face of prospects, who cite these difficulties. The agent, Mr. Davis said, should muster the facts and come back at such critics with a strong offense.

The agent should overhaul his sales talk occasionally, inquiring of himself whether it is clear and simple, whether it is interesting to the prospect and whether it is in story form; does it tie up with his life, his family, home, business? Is it dynamic, does it produce action? Although the story may seem to be a canned talk to the agent, the subject matter is absorbing to the prospect because it deals with his family, his home, his business, his old age.

The problem in selling is one of elimination, of prospects and useless activity. Each day's work should be so planned that it places the agent on favorable terms with at least ten prospects. If an agent gets four interviews and at least one application a week, he is above the average. What the agent proposes to do in the next 24 hours is more important for his success than what he hopes to do next week, next month or next year. If the agent is not happy in life insurance, he should seek work elsewhere.

* * *

Arrange for Sales Congress

New Orleans Life Men Prepare for One-Day Session—Notable Speakers Secured

A one-day sales congress, with attendance from almost the entire south, is planned for New Orleans March 23.

The speakers include Dr. E. G. Simmons, vice-president Pan-American; Ernest W. Owen, Detroit general agent Sun Life; A. C. ("Tex") Bayless, Houston general agent Southland Life; J. S. Maryman, Aetna Life, Little Rock, and C. C. Day, Oklahoma City general agent Pacific Mutual. Rabbi Louis Binstock of New Orleans is also a scheduled speaker for the congress.

The general committee consists of Fred Le Laurin, general agent Aetna Life; Ted M. Simmons, agency manager Pan-American Life; G. C. Lyman, general agent Pacific Mutual.

Assisting the general committee with publicity for the congress are R. F. Lawton, manager Mutual Life, New Orleans; James Colomb, Home Life, and John W. Murphy, public relations manager Pan-American.

* * *

Metropolitan Agencies Are Great Factor in Association

The Metropolitan Life organization in Chicago is strongly behind the Chicago Association of Life Underwriters, as was evidenced shortly before the Chicago annual convention of the National Association of Life Underwriters, when membership of the local organization for the first time in many years went over 1,000, due principally to some 200 memberships from Metropolitan agents. The good work is continuing. E. P. Lomasney, Metropolitan manager, 3228 Lincoln Avenue, has just submitted to Walt Tower, managing director Chicago association, 21 applications for membership, putting his agency 100 percent behind the association. Mr. Tower expects to have 300 association members in the Metropolitan forces this year.

* * *

Cincinnati—J. R. Hastie, associate manager Mutual Life of New York in Chicago and past president Chicago association, will address the monthly luncheon meeting of the Cincinnati association, Feb. 15, on "Auditing and Programming Insurance."

* * *

Des Moines.—Paul N. Mantz, representative of the Lincoln National Life in charge of the reinsured Royal Union Life business, spoke Saturday on "The Outlook for Policyholders in Companies Reinsured Following Receivership." Jack Hilmes, vice-president, presided in the absence of President A. H. Pickford.

* * *

Richmond, Ind.—At the first meeting of the new year every underwriter in the county, whether a member or not, was invited. Ed Barret of Muncie, Ind., a retired superintendent of the Prudential, was the principal speaker.

* * *

Appleton, Wis.—William Rietow, Jr., with the Equitable Life at Sheboygan, Wis., spoke on "The Life Insurance Policy of Rip Van Winkle." His talk was so well received that the association invited him for a return speaking engagement later this month at a meeting to which life underwriters from the entire Fox River Valley district will be invited.

* * *

Michigan.—The first meeting of the newly formed advisory board of the Michigan State association will be held in Detroit in April in conjunction with the sales congress of the Qualified Life Underwriters.

One representative of each local association makes up the board. H. V. Yocum will represent the Jackson association; W. R. Howson, Saginaw; J. D. Goldsmith, Kalamazoo; John Livingston, Grand Rapids, and W. E. J. Edwards, Lansing. Representatives of the other associations will be appointed shortly.

* * *

Provo, Utah.—A new association is being organized following a largely-attended meeting at which Winslow Smith of the Equitable Life in Salt Lake City, past president of the Utah association, outlined the benefits of an organization.

* * *

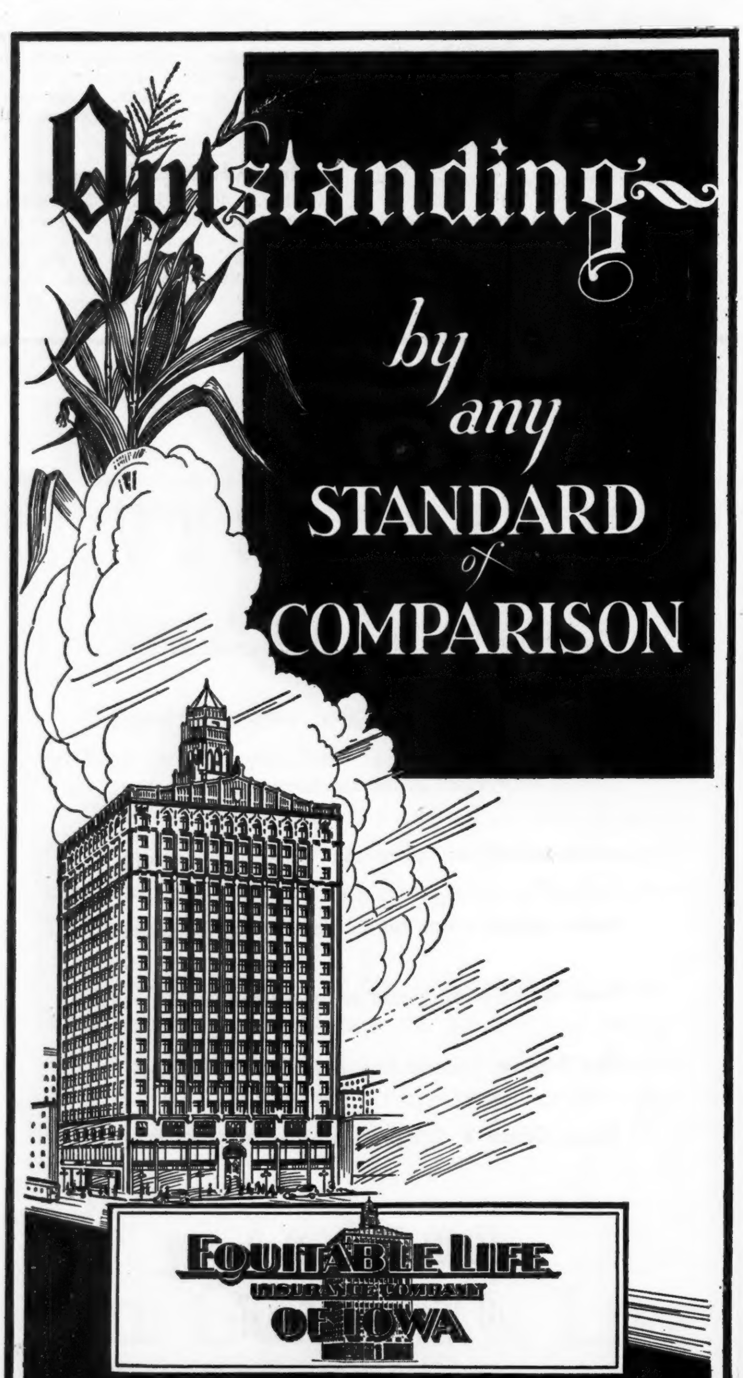
Omaha—The following officers have been elected: President, Dave Noble, New England Mutual; vice-president, Addison Wilson, Bankers Life; secretary, Edward Gould, Northwestern Mutual; treasurer, R. A. Wiley, New York Life; national executive committeeman, Tom Kelly, Travelers.

* * *

Northern New Jersey—Dr. Louis A. Warren of the historical research division of the Lincoln National Life will be the guest-speaker on "The Pressure of Necessity—Episodes in Lincoln's Life." The association plans to conduct a Newark high school essay contest during Financial Independence Week on "Life Insurance—Cornerstone of Man's Financial Structure."

Portland Sales Congress Draws 600 Life Agents

PORTLAND, ORE., Feb. 8.—Six hundred life underwriters attending an all-state sales congress sponsored by the Portland Life Underwriters Association, heard Roger B. Hull, managing director of the National Association of Life Underwriters, speak on "Industrial Recovery and Life Insurance." E. B. McNaughton, president of the First National Bank, spoke on "Stability of Life Insurance," and "Picking Out Live Prospects," was discussed by F. W. Paris, National Life of Vermont. Honor was paid 63 men and 5 women for outstanding work at the banquet. In a talk at the banquet Mr. Hull drew a picture, which left a lasting imprint on his hearers, of a bereft mother and son sans protection. At the luncheon Rev. E. A. Fridell, Seattle, spoke on "Human Emotionalism." N. A. Drew, John Hancock Mutual Life, gave the volume figures and number lives written by outstanding underwriters during the past year and predicted the large totals would be exceeded during 1934. Two large silver cups will be donated by W. C. Schuppel, Oregon Mutual, to the underwriter securing the largest volume and by the Portland Life Managers Association for the greatest number of lives insured.



LIFE COMPANY CONVENTIONS

Indianapolis Life Men Rally

President Raub Tells Agents Spirit of Neighborliness Abroad Provides Fertile Soil for Insurance

Representatives of the Indianapolis Life from Illinois, Iowa, Ohio, Michigan, Minnesota and Indiana attended an enthusiastic meeting at the home office.

President Edward B. Raub in his message reviewed the performance of life insurance during the depression, pointing out how it had alleviated much distress. The depression, he said, was marked by a humane spirit of consideration and helpfulness to the other fellow. There now exists in the country a spirit of neighborliness and a deep interest in the welfare of fellow men. Such spirit, he said, provides fertile soil upon which to plant the seeds of life insurance. Mr. Raub analyzed the company's financial condition, showing that assets increased $540,000 and now stand at $15,264,295; and net surplus increased by $245,358 and now amounts to $1,012,784.

Agency Manager J. R. Mayfield reported that January business was decidedly higher than in January, 1933. Mr. Mayfield presided at the meeting. The Indianapolis Life showed a larger gain in insurance in force during January than in many months.

At the banquet the agents were divided into ten groups, according to their production during January. The quality of the food they were served depended on their production. Those in the lower group, for instance, were served hash.

A. H. Kahler, general agent at Peoria, Ill., was master of ceremonies and called on each of the 10 managers for a two-minute speech. The principal speakers were Mr. Raub and F. P. Manly, chairman of the board. Girls from the home office staged a floor show review.

Abraham Lincoln Meetings

The Abraham Lincoln Life, which is now holding a series of regional meetings for its agents each month, held the current series last week at the home office in Springfield, Ill., in Cleveland and Chicago. Vice-President F. M. Feffer was in charge of the meetings. Other home office speakers who appeared at all or part of the meetings were W. A. Fairlie, manager field service; G. A. L'Estrange, manager claim department, and J. T. Du Moe, home office supervisor.

Mr. Feffer reported that accident and health business in January was practically double that of last year and the life business was about the same as it was last year, which was regarded as very satisfactory, as January, 1933, was a large production month.

Mutual Life Managers' Meeting

The managers of the Mutual Life of New York throughout the country will hold their annual meeting next week at Augusta, Ga., when home office people headed by President David F. Houston and Vice-President George K. Sargent will be present.

Ohio State Managers Elect

At the annual agency meeting of the Ohio State Life, D. F. Shafer, Mansfield, O., was reelected president of the Managers Association, and L. A. High, Columbus, O., secretary. They with O. N. Young, Lima, O.; Carl Adams, Cleveland, and E. G. Siefert, Marion, O., compose the executive committee.

January business was reported to be the largest of any January in the company's history. The St. Louis agency won first honors for the production of the largest volume: Robert Ginsburg, St. Louis, for the largest individual production; H. T. Powell, St. Louis, largest number of applications, and the Lima agency, O. N. Young, manager, largest percentage gain in January over December.

President U. S. Brandt presided at the banquet. Speakers were Superintendent C. T. Warner and W. A. Robinson, actuary of the Ohio department.

Yeomen General Agents Meet

DES MOINES, Feb. 8.—General agents from five mid-western states conferred here with home office officials and department heads of the Yeomen Mutual Life. Speakers at the dinner were E. W. Clark, Iowa Insurance commissioner; Ray Yenter, former commissioner, and Joyce Swan, promotion manager of the Des Moines "Register & Tribune."

NEWS OF THE FRATERNALS

Congress Section Programs

Speakers at Law Association Meeting Announced—Palmer House, Chicago, Scene of Fraternal Meet

Programs for the various section meetings of the National Fraternal Congress at the annual convention in the Palmer House, Chicago, Feb. 22-23, are taking more concrete form. President Clara B. Bender will preside at the round table conference of the press section in the Palmer House, Chicago, starting at 8:30 a. m., Feb. 22. The section's meetings have been planned so that the editors will be able to attend any other section meetings.

The program for the annual meeting of the Fraternal Society Law Association, an independent body of lawyers interested in fraternal insurance law, is complete. The speakers and papers they will present are:

Law Association Program

L. E. Joslyn, Detroit, "Limitation of Action on Life Policies."

J. L. Schweigert, Denver, "The Open Contract in Old Line Life Insurance."

H. A. Beckett, Cleveland, president of the association, "Does a Denial of Liability on Specified Grounds Waive Other Defenses?"

C. J. Garlow, Columbus, Neb., "What Does the Term 'Accident' Mean in an Insurance Policy?"

L. A. Knight, Rock Island, Ill., "Nonforfeiture Provisions."

There will be an address on "George Washington" at a luncheon of the law association in the Palmer House Feb. 22, to which members of other sections are invited. A. W. Fulton and W. C. Hartray, Chicago, are in charge of local arrangements.

The presidents' section meeting will be held in the Palmer House Feb. 22. President Bradley C. Marks of the A. O. U. W., Fargo, N. D., will report to the group on the progress made since the annual meeting in Milwaukee and on the legislative and tax situation.

Iowa Managers Meet

DES MOINES, Feb. 8.—Iowa district managers of the Modern Woodmen of America attended a two-day school of instruction here. L. O. Cross, Des Moines, Iowa manager, presided. Others conducting sessions were R. A. Talbot, Lincoln, Neb., national field secretary; H. A. Carson, Minneapolis, national representative; F. R. Korns, Des Moines, national director; Dr. J. M. Smittle,

ETHICS

The attitude of the insuring public toward the life insurance business and life insurance companies depends almost wholly upon the character and behavior of those whose privilege it is to represent the companies before the public. No verbal or written statements attacking other companies, their policies, or their agents, should be made. Selection of coverage to be presented should rest solely upon supreme need—not upon commission to be earned.

Honesty, straightforward sales methods, strict adherence to promises, conscientious and intelligent service, good character, industry, loyalty to self, client, and company — all these are the requisites that go to make up the desirable agent and that are essential to the preservation of the good name of the institution of life insurance.

AMERICAN CENTRAL LIFE
INSURANCE COMPANY
INDIANAPOLIS - - - INDIANA

Insurance with Increasing Premiums

. . . . . fills a real need in the social and business fabric of 1934. A standard policy with sliding scale of payments reaching level basis in ten years is ideal in amortization of indebtedness or in covering risks that have assured future values beyond those that can be realized at once. Thousands of risks are being adequately covered with this plan.

Security Mutual Life Insurance Company
BINGHAMTON, N.Y.

PILOT LIFE

Hangs up the Plus Sign stepping into 1934 with a

GAIN OF INSURANCE IN FORCE
GAIN IN SURPLUS
GAIN IN ASSETS
for 1933

We congratulate the Pilot Field Force on this outstanding record.

J. M. WADDELL
Agency Manager

EMRY C. GREEN
President

Greensboro North Carolina

OSLICO

For 28 Years the Slogan has been

"SAFETY AND SERVICE FIRST"

1933 was no exception for us, for the Ohio State Life Insurance Company continued to make progress in financial strength, as shown by the increases in its Cash, U. S. Government Bonds, Reserves for the Protection of Policyholders and Total Assets. This growth was maintained in the face of unfavorable financial conditions, and is the result of the conservative financial policy which has guided the Company throughout its 28 years of service to its policyholders. Every obligation has been promptly met without selling one of its bonds or borrowing a dollar. The Company owes no debts other than current bills and obligations provided for its own policies. "Safety and Service First" is our continuing pledge.

With this company background and a liberal contract, Oslico Representatives enjoy greater earnings.

THE OHIO STATE LIFE INSURANCE COMPANY
Columbus, Ohio

U. S. BRANDT
President

F. L. BARNES
Agency Vice President

OSLICO

Waucoma, Ia., state medical director, and H. L. Ruff, Rock Island, Ill., national assistant secretary.

Hold Sales Conference

Field representatives of the Equitable Reserve Association met in their annual sales conference at Neenah, Wis., the theme being "Plan Our Work and Work Our Plan." Vice-president N. J. Williams was in charge and other officers spoke.

AS SEEN FROM CHICAGO

JACOBS SOUTH BEND SPEAKER

I. B. Jacobs, educational director of the Spaulding Agency of the Mutual Life of New York in Chicago, was the chief speaker at the first meeting of the "four and six club" of the Mutual Life agency in South Bend, Ind., Feb. 3.

* * *

MANY ENROLL IN C. L. U. COURSE

There were 35 enrollments for section 1 of Northwestern University's special review course for the C. L. U. examinations, which started Feb. 2, and will run to May 22. Other life men are expected to enroll for later sections and enrollment of 50 is anticipated as against 30 in the review course last year. The classes are being held in the school of commerce on McKinlock campus, Chicago. It is under direction of A. J. Johannsen, Northwestern Mutual, the faculty including G. S. Brown, C. L. U., past president National chapter C. L. U. and agent Patterson agency, Penn Mutual, Chicago; R. L. Davis, Ph.D., C. L. U., president Chicago Association of Life Underwriters and partner W. W. Durham & Co. agency; W. N. Hiller, C. L. U., past president Chicago chapter C. L. U, Stumes & Loeb agency, Penn Mutual; W. F. Byron, assistant professor of sociology; L. D. Egbert, assistant professor of political science, and E. H. Hahne, associate professor of economics, Northwestern University.

* * *

CHICAGO TELEPHONE DIRECTORY

The 1934 Insurance Telephone Directory of Chicago published by THE NATIONAL UNDERWRITER has been issued. This gives the telephone and office location of insurance people in the Insurance Exchange and those outside. It is a complete, up-to-date, easy telephone reference directory of Chicago insurance offices. The price of the book is $1.

* * *

WIVES INCENTIVE IN CONTEST

J. S. Fredrickson and Arthur Peterson, agency organizers in charge of the central branch of the New York Life in Chicago, staged a one-day sales effort Feb. 1, inaugurating the spring contest in the department. Seventy-eight agents participated, turning in 169 applications for $465,000. Messrs. Fredrickson and Peterson wrote a novel letter to wives of all agents, asking them to read the letter at breakfast table two days before the contest was to start. Thus they secured excellent cooperation from the home. A M. Malick had 14 applications and another agent, A. B. Reich, turned in $40,000.

* * *

HOFFMAN'S AGENTS PROGRESSING

George Hoffman, manager of the Guardian Life in Chicago, reports that all full time men in his office last year showed a healthy increase in business in force. The agency was 11th countrywide for 1933 as against 12th the preceding year. Mr. Hoffman recently made a study of the record of men in the office, finding that they averaged an application per 9.7 interviews and the average worth of their calls was $2.02, without considering value of renewals. The office is doing considerable business in annuities.

* * *

YATES BEFORE ROCKWOOD AGENCY

Z. C. Yates, supervisor Union Central, Chicago, addressed the Rockwood Company agency meeting there on life insurance sales ideas.

LIFE AGENCY CHANGES

Florer Goes to Grand Rapids

Appointed General Agent There of Aetna Life to Succeed Late J. A. Bassford—Now at Home Office

H. W. Florer has been appointed Aetna Life general agent at Grand Rapids, Mich. to succeed the late J. A. Bassford, who represented the Aetna Life for many years as general agent there.

A native of Ann Arbor, Mich., and a graduate of the University of Michigan in 1923, Mr. Florer entered life insurance immediately after graduation, becoming an agent of the Travelers in Detroit, and made a fine record in personal production. In 1927 he became supervisor of agents for the Mutual Benefit in Michigan. The next year he joined Murphy & O'Brien, Detroit general agency, as manager of life, accident and group activities, and established a new high record for accident production.

Experience in Home Office

He joined the Aetna Life four years ago as a member of the life agency division at the home office. As agency assistant, he was made responsible for the promotion of accident business. He spent much time visiting Aetna Life agencies, training agents in the effective selling of accident insurance, and in preparation of new plans and literature for field use. As accident specialist, he has been on Aetna general agents' convention program, and has spoken several times at regional meetings.

R. M. Williams

The Sun Life of Canada has opened a state office in Fargo, N. D., in charge of R. M. Williams, who has been agency assistant in Minneapolis. The company has been licensed in North Dakota for six years but has not been active in the state. Territory handled from the Fargo office includes all of North Dakota and 15 adjoining counties in Minnesota.

A. B. White

A. B. White, manager of the Washington National of Chicago in Atlanta, Ga., has been appointed manager in Detroit. He helped open the Atlanta territory and later was appointed field superintendent.

Alvin Kingsbacher

Alvin Kingsbacher, secretary-treasurer of the Los Angeles C. L. U. chapter, has left the Los Angeles agency of the Equitable Life of New York, with which he has been connected for eight years, to become assistant manager of the Sunset agency there of the California-Western States Life, of which E. T. Gilbert is manager.

W. E. Clover

W. E. Clover, since Jan. 1, 1933, manager of the Pueblo unit of the R. P. Banks agency of the Penn Mutual Life at Denver, has been appointed general agent at Wichita, Kan., to suc-

ceed Cecil K. Dean, resigned. After 11 years of successful merchandising and management of a real estate and general insurance business in Lingle, Wyo., Mr. Clover went to Scottsbluff, Neb., for the Denver agency of the Penn Mutual, for supervisory and personal production work. Jan. 1 of last year he was transferred to Pueblo, Colo., as a unit manager. He takes charge in Wichita March 1.

G. D. Newhouse

G. D. Newhouse has been appointed associate general agent for Oregon of the State Mutual Life, assisting S. R. Strong of Portland, general agent in Oregon.

J. F. Perry, R. L. Perry

J. F. Perry and his son, R. L. Perry, have been appointed general agents for the Mid-Continent Life for San Antonio, Tex., and adjoining territory with offices at 201-2-3-4 Morris Plan Bank building.

H. W. Jones

The Acacia Mutual Life has appointed H. W. Jones state manager for Maine with headquarters in Portland. Mr. Jones has been an agent of the Sun Life of Canada in Portland for five years and is a graduate of the University of Maine.

F. M. Hice

The Provident Life & Accident has appointed F. M. Hice, Charlotte, N. C., general agent for its life department. He has been a resident of that city for 27 years and has been for the past three years with the Jefferson Standard agency.

W. Ashley Gray

W. Ashley Gray has resigned as St. Louis manager for the Guardian Life effective March 1. Mr. Gray has not announced his future plans.

Equitable Michigan Changes

C. P. McLain, who has been a unit manager for the Equitable Life of New York in Detroit, has been appointed superintendent of agents for the Michigan branch by State Manager R. M. Ryan. He succeeds the late J. C. Hickey, who died last September.

T. L. Denk, an agent in the Detroit agency for the past two years, is appointed assistant agency manager and F. O. Wagner, former district manager in Saginaw, has been brought into the Detroit branch office as unit manager in Mr. McLain's place. H. R. Schnettler, with the Saginaw agency for 13 years, is appointed district manager there.

R. G. Cartwright

The Provident Life & Accident has appointed R. G. Cartwright general agent at Santa Ana, Cal. Mr. Cartwright operates a successful local agency and is a big personal producer in the life department. George Faires, a successful producer and secretary of the Orange County Association of Life Underwriters, will be associated with Mr. Cartwright.

H. H. Heath, S. P. Bass

H. H. Heath, formerly Fidelity Mutual Life general agent, has been appointed general agent of the Minnesota Mutual Life at Oklahoma City.

S. P. Bass. formerly with the International Life in Texas and the Mutual Life of New York in Mississippi, has been appointed general agent for the Minnesota Mutual Life at Lubbock, Tex.

Take on General American Life

Buckman & Mitchell, local agents at Visalia, Cal., have been appointed agents for the General American Life, with D. W. Acuff, former leading producer for the Missouri State Life, in charge of the life department. Clem T. Buckman of that agency is president of the California Association of Insurance Agents.

The General American has opened an office in Fresno with S. D. Andrews as manager to cover the San Joaquin valley field.

Life Agency Notes

B. B. Fisher, Walnut Ridge, Ark., has been appointed general agent of the Central States Life.

C. Y. Bailey and **Alfred Bailey** have been appointed district managers of the Protective Life at San Antonio, Tex., with offices at 916 Majestic building.

Ben Epstein, formerly with the Kansas City Life at Beaumont, Tex., has been appointed district manager there for the Great American Life of San Antonio.

The **Arthur E. Baird Company** has been appointed general agent of the Kansas City Life for southwest Texas, with offices at 512 Travis building, San Antonio.

The Equitable Life of New York has established a second unit at Omaha with **G. C. Follmer** as district manager. He has been with the company there for ten years.

As Seen from New York

By R. B. MITCHELL

RETURNS IN ENGELSMAN AGENCY

The Ralph G. Engelsman agency of the Penn Mutual Life in New York City showed an increase in paid business for January, with $754,000 as against $753,000 for January of last year. Paid business was produced by 95 percent of the agents, the smallest production being $4,500 and the average being $25,000.

* * *

PLAN FEATURE AT CONGRESS

A masked man, personifying the 1934 prospect, and outlining his insurance problems, how he can be sold, and what type of agent can sell him, will be the opening feature of the New York City sales congress Mach 8, Lloyd Patterson, chairman program committee, announces.

* * *

NEW YORK UNIVERSITY COURSE

Registration is now open for the New York university course in life insurance, dealing with underlying principles, establishment of rates, surrender calues, organization and management, investments, disability, group, fraternal and assessment companies, industrial, trusts, taxation and programming. While the course is not offered as a substitute for the life insurance training course, now temporarily discontinued, Chairman J. E. Bragg of the New York City Life Underwriters Association's committee on education has suggested this course for those desirous of continuing their insurance education. It is given by Prof. S. B. Ackerman.

* * *

SOME JANUARY FIGURES

The J. S. Myrick office of the Mutual Life of New York in New York City paid for $2,288,702 in January as against $1,614,713 for January, 1933.

The Luther-Keffer agency of the Aetna Life in New York City paid for $2,070,654 in January.

At its annual convention in Little Rock, the Arkansas division of the Mutual of New York managed by J. T. Thompson reported a 40 percent increase in 1933 paid business.

GEARED TO THE SPIRIT OF RECOVERY

is the absolutely complete line of personal coverage through which the Pacific Mutual looks toward its 1934 goal of widely extended service to the American insuring public.

"THERE'S A PLAN THAT FITS"

For Instance

Participating and Non-Participating
"5-way" Life Insurance (accident, sickness, permanent total disability, old age, and death)
Non-Cancellable Disability Income Protection
Modern Accident and Medical Expense Reimbursement Plans
Retirement Income Plans and Annuities
Guaranteed-rate, Minimum-cost Policies
and
Special Plans to meet all modern needs for Personal Insurance

THE PACIFIC MUTUAL
LIFE INSURANCE COMPANY
of California
George I. Cochran, President
Founded 1868 Assets—Over $198,000,000
Home Office—Los Angeles, California

Opportunity for managers
in
Desirable Territory

FOR qualified men there is a liberal and profitable manager's contract. The men chosen will work under the direct supervision and assistance of the Home Office. They will be given every possible help to insure their success with this strong 30 year old company.

This company writes all complete and modern forms of life insurance at a low net cost. Policies include participating, non-participating, disability and double indemnity.

If you are interested in a manager's contract that offers a real opportunity write

S. M. Cross, President
Columbia Life Insurance Co.
Cincinnati, Ohio

How We Help

To get COMMONWEALTH Life underwriters started on the right track, the home office furnishes them with: ¶A handbook of Agency Development for General Agents and Managers. ¶A simple elementary training course; duly followed by

COMMONWEALTH CORDIAL CO-OPERATION

A more elaborate and thorough training course giving all the essentials of life underwriting. ¶Access to a full and complete insurance library. ¶"COMMONWEALTH cordial co-operation" is more than a trademark; it represents a continuous series of definite sales-helps furnished by the COMMONWEALTH LIFE INSURANCE COMPANY to every field representative. ¶For more information write to Agency Director.

COMMONWEALTH LIFE INSURANCE CO. LOUISVILLE, KY.

AMONG COMPANY MEN

Three Promotions Are Made

Connecticut General Life Announces Boosts for Some of Its Junior Executives

At the annual meeting of the Connecticut General Life, C. G. Worsham, specialist in farm mortgages, who went

C. G. WORSHAM

with the company in 1925, after being instructor at State College of South Dakota and the University of Minnesota, was made assistant secretary. Dr. E. A. Keenleyside was appointed assistant medical director and B. M. Anderson, attorney.

Dr. Keenleyside was graduated from Toronto University in 1925 and from its medical school in 1928. He went to the Connecticut General last June.

Mr. Anderson will be associated with General Counsel C. E. Voorhees. He is a graduate of the University of Virginia and Yale law school. He assisted Prof. W. R. Vance in writing a text book on insurance. He joined the company in 1930.

Young Goes to Montana Life

National Fidelity Life Actuary Becomes Vice-President and Actuary of Helena Company

KANSAS CITY, MO., Feb. 8.—F. E. Young, for six years actuary of the National Fidelity Life, has resigned as vice-president and actuary to go with the Montana Life of Helena, Mont., as vice-president and actuary. Mr. Young, one of the outstanding junior executives of the country, is a graduate of the University of Michigan. He taught mathematics at the Oregon State College; later worked with the insurance department of that state, and then went with the Western Union Life at Spokane in an actuarial capacity.

Practically every policy issued by the National Fidelity Life has been revised under Mr. Young's administration of the actuarial department. He extended its juvenile line of policies and instituted the GIA forms. The National Fidelity has not yet named a successor to Mr. Young.

State Life, Indiana, Moves Up Many Home Office Men

At the annual meeting of directors of the State Life of Indiana, Albert Sahm, who has been secretary-treasurer more than 20 years, retired but will continue as a director and as secretary of the executive committee. J. I. Dissette, who has been second vice-president, becomes chairman of the executive committee.

Dr. C. B. McColloch, medical director, and A. A. Zinn, superintendent mortgage loan department, were elected vice-presidents. F. H. Sterling, who has been with the company for 31 years in various positions, was elected secretary. H. N. McClelland, with the company 30 years, the past ten as cashier, was made treasurer, and W. F. McNairy, the past five years assistant cashier, was advanced to cashier. Paul Morrison, assistant auditor, was made associate auditor.

"This program," says President R. E. Sweeney, "is in harmony with our policy for the future of advancing young men who have made good in the company's service when they merit promotion."

Receiver for Our Home Life

Commissioner Knott of Florida Is Appointed to Take Charge of the Company

WASHINGTON, D. C., Feb. 8.—W. V. Knott, domiciliary receiver of Our Home Life in Florida, has been appointed ancillary receiver of the company in the District of Columbia. Appointment of Mr. Knott was made by Justice O'Donoghue of the supreme court of the District of Columbia, as a means of possibly reducing the expenses of the receivership.

Practically all of the securities are held in Florida, it was said by the superintendent of insurance for the district, and little or no information is aavilable here as to the deficit, although it was said the officials have admitted that it is probably hopelessly insolvent.

Sixteen percent of its business was done in the District of Columbia, it was stated, some 1,200 policies aggregating about 1,500,000 being held here. Eleven percent of the outstanding policies are held in Maryland and about 57 percent in Virginia.

Advised that Our Home Life had been placed in receivership by the Florida department, the Virginia department entered an order directing the attorney general to institute court proceedings with a view of taking over assets in Virginia for the protection of policyholders. This matter was pending when information came that the company had been placed in receivership in Florida where it is chartered. The home office is in Washington, D. C. The company has been operating in Virginia for many years but has only a moderate amount of insurance in force in that state.

Life Company Receiverships in Chicago to Be Probed

Conditions in Chicago were found so bad by the congressional committee which recently investigated federal receivership and bankruptcy fees, that the committee will return to Chicago near the end of February to resume the probe. Among the cases to be investigated are the receiverships of the Security Life, Victory Life and Illinois Life of Chicago. Investigators are working on 100 additional bankruptcies.

There are 52 aggravated cases awaiting attention, according to G. F. Cummerow, the committee's investigator. They involve total fees of more than $10,000,000 paid out to special masters, receivers, attorneys and accountants. Representative T. D. McKeown of Oklahoma heads the committee.

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THE BOURSE PHILADELPHIA

SALES IDEAS AND SUGGESTIONS

World's Sales Record Setter Tells Methods He Uses to Get Prospects to Buy Life Insurance From Him

The man who set a new world's record by paying for $1,523,450 of business in December, 1933—Dix Teachenor, Kansas City, Mo., agent of the Kansas City Life—was discouraged.

"No sir," he commented lugubriously. "Business is rotten. You can't seem to write life insurance any more. I think I'll go into building and loan.

"Just to show you. I saw five people today and sold only four of them. Think of it! Four out of five. Terrible!

"I happened to drop in on a man I knew, and he wanted a $10,000 ten-pay life at age 59.

"A young fellow, only 24, who had no insurance at all, wanted a $1,000 20-year endowment to start out on, so I let him have it.

People Buy Insurance Instead of Being Sold

"One prospect had a $6,000 term policy about to expire. I thought it was useless, but I dropped in—just to say 'hello.' I told him right away that I appreciated his position and knew he wouldn't want to convert, that it was silly, seeing how difficult it would be in these times to pay the increased premiums. We argued around for quite a while, but finally he made it clear that he wanted that policy converted, so I went ahead and converted it for him to ordinary life at the original age.

"The name of a business woman I knew occurred to me, and I went in to see her. She bought a $50 a month deferred annuity at age 63.

"No, sir! You can't sell insurance in these kind of times! People just naturally come and buy it from you."

Just how Mr. Teachenor brings out the attractiveness of life insurance so that prospects and policyholders buy more than $1,000,000 worth a year from him, is a very interesting story.

Sold Nearly 14 Million in 16 Years in Business

Briefly recapitulating the statistical part of that story, Mr. Teachenor has sold $13,919,900 of business in the 16 years he has been selling for the Kansas City Life. He has an average renewal of well over 90 percent for every one of those years. For nine successive years he has produced over a million dollars of business a year. Very little of his business is not taken, as is evidenced by the delivery of more than 98 percent of the amount he wrote in December, 1933. He paid for $1,851,900 on 435 cases in 1933. Although only about 25 percent of his December, 1933, business was written on old policyholders, normally 60 percent is written in this manner. He writes few big policies: his average was $4,257 in 1933.

Mr. Teachenor entered the business immediately on leaving college. He sat up until two o'clock the night before graduation trying to determine what he was going to do, and at the time felt he had gotten nothing from it but a headache. But he did determine that he wanted not only "just to make a living, but to do something worth while while he was doing it."

Started Day After He Graduated from College

When his father remarked to him the day after his return from college that he had been watching the Kansas City Life and believed it was a good company to become associated with, Dix Teachenor knew at once what he was to do; and the next day he signed a Kansas City Life contract.

He has been happy about that step ever since. In 18 years he has done a good deal that was worth while for other people, and in all that time, he has not lost anyone any money. Who else can say as much?

Mr. Teachenor never solicits in the evening unless it is absolutely imperative. But he never retires before he knows definitely where he is going to be every minute of tomorrow, to whom he is going to talk, and what he is going to say. To produce the volume he does is hard work, but it is planned work, and therefore effective. Anxious to get to his next prospect and place the added insurance in force that he ought to have, Mr. Teachenor never passes the same corner twice in any one day.

Mr. Teachenor never has been able to sell life insurance when he needed money, and he no longer even attempts to.

"When I'm thinking of the money I need, my voice takes on a very distinct dollar want. I've got to think of the man, his wife, their children—and of the money they need and will have if I'm successful in this interview."

When he does this the real enthusiasm of life insurance combines with his own personal enthusiasm to convince the prospect. A lot of people just can't withstand this enthusiasm. This may be sales pressure, Mr. Teachenor admits, but the sales stick. Mr. Teachenor feels that if he doesn't have enough enthusiasm for both himself and his prospect, he hasn't enough to sell life insurance. And if the prospect really doesn't want life insurance, he

Record Breaker

DIX TEACHENOR

W. L. MOODY, JR. President
SHEARN MOODY Vice-President
W. J. SHAW Secretary

AMERICAN NATIONAL INSURANCE COMPANY
GALVESTON, TEXAS

A Continued Conservative Development Program In Each Department

ORDINARY INDUSTRIAL

Operating in 26 States, Cuba, Hawaii, and Porto Rico

A Well Diversified Line of Modern Policy Contracts, including Juvenile Policies, Retirement Income Policies, Salary Savings, and all Types of Annuities, enable our Representatives to render the Insuring Public the Best in Life Insurance Service.

Men of Character and Integrity, desiring a connection with the Ordinary Department, providing Liberal First Year and Renewal Commissions are invited to address inquiries to

Ernest L. Roberts, Vice President

AMERICAN NATIONAL INSURANCE CO.
Galveston, Texas

Life Assurance is the Backlog of the Home!

You know—the timber at the back of the fireplace, against which the lighter fuel is piled and the fire is built—reflecting and increasing the comfort of the blaze—holding and radiating welcome heat when other fuel has been consumed. The backlog is what must first be secured. It remains when everything else disappears.

That is what the soundest financiers call life assurance — a Backlog! Bonds, mortgages, stocks, savings, building and loan shares—all desirable—but secondary. By life assurance an estate can be created outright. It is unaffected by market fluctuations. It is impregnable. In the Sun Life of Canada, life assurance is not only a sure bulwark against death or disability—it is a profitable form of investment.

There is a Sun Life policy suited to every requirement.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE MONTREAL

doesn't have to take it. Mr. Teachenor has never sold a policy to a man who did not really want it. That is one explanation for his high renewal ratio.

Another is that Mr. Teachenor personally delivers every policy he sells, so that the prospect is certain to know what he has. Mr. Teachenor purposely holds back a few points—he doesn't fire all his shells in the selling interview. He clinches the sale and makes it more likely to continue sold by telling the prospect some additional fine things about the insurance he is buying when he delivers the policy. For instance, he may show him how the cash values increase, thus making him (the policyholder) an ideal savings account. Or he may tell him how, when able, he can pay up an ordinary life policy so that he won't have to meet premiums all his life. Naturally the policyholder is in a very happy frame of mind when he hands Mr. Teachenor the check.

To produce the volume he does, Mr. Teachenor must see a great many prospects. Who are they? For the most part they represent the middle class, people with incomes of between $5,000 and $25,000 annually. Although such persons represent a small percentage of the population, his policyholders have been largely recruited from among their number.

However, Mr. Teachenor gets just as much kick out of writing a young man his first policy as writing the third $25,000 on a banker. He takes them as they come. He is particularly interested in young men, for he knows that the young clerk who can afford only $1,000 today, may be president of the bank tomorrow.

Walking down the street with a young man, he says: "You're younger than I am, and yet your dollar and mine will buy the same amount at that store across the street, But—your dollar is worth just about 40 percent more than mine in the purchase of life insurance. Discount your future now." Too many underwriters were spoiled during prosperous years by big cases. They seem to be afraid of the little ones, though the little ones are the door to successful underwriting.

Uses Endless Chain Method of Prospects

Mr. Teachenor never lacks for prospects. He was born and reared and went to school in Kansas City. He uses the endless chain, the friend-to-friend method of prospecting. He sends out no advertising forms, nor does he mail any pre-approach letters to prospects. He wants to get face-to-face with the man.

How much should an underwriter know about a man before he calls on him? Character is the basis on which Mr. Teachenor selects his prospects. Are this man's ambitions, desires and hopes the ambitions, desires and hopes of his family? Such a man is the ideal life insurance prospect, for if he is that kind of a man, he needs life insurance. The next consideration is, does he have the money to buy life insurance? The rest Mr. Teachenor learns by calling and chatting with him—not by asking a lot of "fool" questions, but by talking about those things that naturally ought to interest vitally two intelligent men.

It takes, Mr. Teachenor estimates, ten years to learn the life insurance business as thoroughly as a man should. And then the underwriter must keep in training, just as the athlete does. A vacation in the one field of effort is as hard to overcome as in the other.

Mr. Teachenor keeps a detailed record of his interviews, sales and calls in order to prevent kidding himself. He recapitulates his business every month and knows just how much he has spent, how much he has earned, and how he has earned it.

$1,000 to $1,600

Ordinary Life Insurance at An Average Cost GUARANTEED OF ONLY $14.00 per $1,000

Of Course Issued in Larger Amounts

All Premiums Returned

in addition to face of policy in event death before age 60

FULL FACE THEREAFTER AND PREMIUM REDUCED 20%

Example

Original cost, age 30, $21.40 per $1,000 to age 59; $17.19 per $1,000 thereafter.

If you reside in Ohio, Illinois, Indiana, Kentucky, Pennsylvania, Tennessee, West Virginia or the District of Columbia,

Write for Samples and Particulars

This is one of the many unique contracts issued by

Federal Union Life

FRANK M. PETERS, President

CINCINNATI, OHIO

PURE PROTECTION LIFE INSURANCE

Is Not Expensive. Estimated Average Annual Cost Per $1000.00 Whole Life Policy

AGE—35—$13.17

REDUCED TO THIS FIGURE BY AN EARNED DIVIDEND

NO CASH LOAN or CASH SURRENDER VALUES
OR OTHER EXPENSIVE SO-CALLED INVESTMENT FEATURES

No Winds of Chance—No Sudden Change in the Current of Business Affairs Can Affect the Strong Financial Position of This Company

Excellent opportunity for salesmen—Illinois, Michigan, Indiana, Missouri.

INTERSTATE RESERVE LIFE

MUTUAL LEGAL RESERVE LIFE INSURANCE

10 EAST PEARSON ST. CHICAGO

Wanted: Managerial Material

BUFFALO MUTUAL LIFE INSURANCE COMPANY 1872

for the States of New York and Ohio BUFFALO, N.Y.

Men who would make good local and district managers in various territories in New York and Ohio are wanted by this 62 year old company... to start as agents. Write in confidence with details of experience to E. Parker Waggoner, Supt. of Agents, Buffalo.

Final Contract of Hercules Signed

(CONTINUED FROM PAGE 5)

Income disability is discontinued and premiums are reduced to charge for premium waiver.

Disability claims arising before receivership are cut 50 percent, no lien.

Annuity liability is cut to 50 percent of the reserve liability on date of receivership and future payments by annuitants shall be 50 percent of what they have been paying. Annuitants will get certificates entitling them to participate in future lien reductions, the credits to be applied to purchase of single premium annuities.

Deferred dividends are cut 50 percent. There is no liability for annual dividends declared but unpaid at date of receivership.

Adjustment of Lien

The lien is subject to increase or decrease annually. In event company and insurance director can't agree on value of National Life fund, assets will be determined by chief justice of Cook county superior court.

If liens are not wholly discharged by Dec. 31, 1948, the then outstanding liens become permanent. On Jan. 1, 1949, or if the liens are discharged earlier, the business is merged in the Hercules Life and assets of National Life fund become part of general assets of Hercules.

For five years the Hercules is not required to make cash loans or pay cash surrender on pre-existing reserves. The moratorium may be extended beyond then.

Policies lapsed since receivership that are not reinstated become subject to the automatic non-forfeiture provision, less the lien.

Nonparticipating Policies

Participating policies are converted to non-par with rate adjustment.

The receiver delivers to the Hercules all assets except bank stock and funds to cover unpaid receivership expenses, amounts to be paid to preferred or secured creditors (R. F. C.), dissenting policyholders and general creditors.

There is a provision that no National Life fund investment may be transferred to Sears, Roebuck & Co., or vice versa. This puts at rest any suspicion the Hercules will be used to assist in financing Sears, Roebuck home building arrangements.

Two trustees to supervise administration of National Life fund will be appointed by the court.

Expense allowance is $1.80 per thousand dollars of insurance in force except extended insurance, 90 cents for extended and 18 percent of accident and health premiums, from date of receivership to Dec. 31, 1934. After that the allowance is $2, $1, and 20 percent.

There is an inflation clause, providing for increased expense allowance if payrolls go up.

The company may pay 5 percent renewals for nine years to agents, who are contracted at the company's discretion. Agents taken on will be required to release the receiver from any claim.

Commissions on rewritten policies are limited to nine 5's or three 15's.

Term policies may be converted in the Hercules without evidence of insurability. If the National Life home office is used, the Hercules shall pay the rent from its own funds.

Dissenting policyholders must file sworn proof of claim in duplicate with the receiver within 10 days.

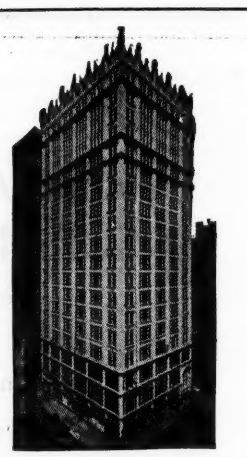
The receiver reserves all right of action against former directors, officers, employes or stockholders of the National Life, U. S. A., for violation of duty. Any recoveries will be credited to the National Life fund.

Warm Praise from Behrens

Warm endorsement of the Hercules Life reinsurance of the National Life, U. S. A., was given in a statement by H. A. Behrens of Chicago, president of the Continental Assurance. The Continental was one of the unsuccessful bidders but seems to approve the reinsurance going to the Hercules Life. Mr. Behrens said:

"Receiver Lucey of the National Life, U. S. A., Judge Lindsay and Superintendent of Insurance Ernest Palmer are to be congratulated on the efficient way in which this receivership was handled. The final action in reinsuring this business with the newly formed Hercules Life of Chicago in my opinion is very much to the interest of National Life policyholders. I understand that company is owned in its entirety by Sears, Roebuck & Co. and this assures ethical and careful handling. While the capital and surplus now paid into the Hercules Life is only $1,000,000, I feel sure that this is only a preliminary investment and that the surplus funds will be increased so that direct stockholders' guarantee to life insurance policyholders will be commensurate with the size of the parent mail order house. I am given to understand that the Hercules Life will develop its life insurance business along orthodox agency channels."

The Hercules this week was taking every means to expedite the securing of licenses in states in which the National Life, U. S. A., formerly operated. Inquiry was made of the Michigan department as to procedure necessary, but the department had not received a copy of the court order or reinsurance contract so no steps could be taken. There was about $30,000,000 of National Life, U. S. A., business in force in Michigan.



North American Building, Chicago

Strong Progressive

North American Life Insurance Company of Chicago

John H. McNamara
Founder

E. S. Ashbrook
President

Paul McNamara
Vice-President